



National Small Business Conference

"Meeting DoD/DHS Mission Needs in the 21st Century"

8 - 10 May 2006

Newport, RI

Agenda

Keynote Speaker: Mr. Blaise Durante, Deputy Assistant Secretary for Acquisition Integration, United States Department of the Air Force

"NAVSEA PEO Submarines - Technology Insertion": Mr. Richard McNamara,, Executive Director, PEO Submarines

Women in Defense (WID) Breakfast, Sponsored by SAIC

Raytheon Executive Address: Mr. Daniel Smith, Vice President, Raytheon Company; President, Integrated Defense Systems (*Will be available soon*)

Panel: *Program Manager's Perspective on Small Business Contributions to Major Programs*

- Mr. Michael Hoeffler, Vice President, Future Naval Capability, Raytheon Company

Small Business Success Story Panel:

- Mr. Jay Boyce, Foster-Miller, Inc. (*Will be available soon*)
- Mr. Knob Moses, Vice President, Operations, Government & Industrial Robotics, iRobot (*Will be available soon*)

New England Military Installation Panel: *"2006 & Beyond - Base Vision and Acquisition Outlook"*

• MASSACHUSETTS:

- Maj Gen Arthur Rooney, USAF, Vice Commander, Electronic Systems Center, Hanscom AFB
- Mr. Alan Macdonald, Executive Director, Massachusetts Defense Technology Initiative (BRAC Team)
- MG Roger Nadeau, USA, REDCOM

• RHODE ISLAND

- CAPT Michael Byman, USN, NAVSEA NUWC Newport, RI
- Mr. John Riendeau, Defense Industry Manager, RI Economic Development Corporation (BRAC Team)

Concurrent Breakout Sessions

Breakout Session A: *Small Business Innovation Research*

- Mr. Tim Sharp, Small Business Innovation Research Program Manager, Director, Advanced Technology Office
- Mr. Michael Caccuitto, III, DoD, SBIR/STTR Program Administrator
- Mr. Richard McNamara, Executive Director, PEO

Breakout Session B: *Special Topics*

- **Moderator:** Mr. Ron Perlman, Buchanan Ingersoll, PC
- Mr. Charlie Summers, Jr., Regional Administrator, US Small Business Association
- Mr. Ralph Thomas, III, Former Asst. Administrator, NASA Small & Disadvantaged Business Utilization; Special Counsel to the Government Contracts Section of Buchanan Ingersoll
- Mr. Rich Ramirez, Senior Business Advisor, Center for Veterans Enterprise (COVE), US Department of Veterans Affairs

- **"What Strategic and Financial Buyers Seek When Acquiring Small Businesses":** Mr. Nick Howland, Associate, DFI International

Breakout Session C: Adding Value

- **Adding Value 1:** *Protecting IP Assets When Contracting with the Federal Government*
 - Mr. Jacob (Jesse) Erlich, Patent Attorney/Partner, Burns & Levinson, LLP
 - Mr. Walter Kneissler, Esq., Corp. Counsel, Foster-Miller, Inc.
- **Adding Value 2:** *Managing Up: Maximizing the Prime-Subcontractor Relationship*
 - Mr. Michael Sweat, President, Odyssey Systems Consulting Group
 - Mr. John Marshall, President, Datacon, Inc.
- **Adding Value 3:** *Building Shareholder Value for Successful Exit*
 - Mr. Paul Serotkin, President, Minutemen Ventures
 - Mr. Darrell Smith, Former President, Milestone Group
- **Adding Value 4:** *Embracing Business Development: Marketing Your Company in the Federal Marketplace*
 - Ms. Ameeta Soni, Senior Vice President of Business Development, VFA, Inc.
 - Mr. Gary Dunbar, President, Gary A. Dunbar, Inc.

Breakout Session D: Business Opportunity Networking

- Ms. Ludmilla Parnell, Anteon
- Mr. Bill Donaldson, Small Business Specialist, Hanscom AFB

National Small Business Conference

May 8-10, 2006

Conference
Agenda

**“Meeting DoD/DHS Mission Needs
in the 21st Century”**

**Hyatt Regency Newport Hotel & Spa
Newport, RI**

Raytheon

Event # 6140

NDIA
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION
STRENGTH THROUGH INDUSTRY & TECHNOLOGY

Conference Agenda

Monday, May 8, 2006

12:00 pm - 5:00 pm:

On-Site Registration (Grand Ballroom Foyer) / Displayer Set-Up

5:00 pm - 6:30 pm:

Opening Reception in the Display Area (Brenton Hall)

Tuesday, May 9, 2006

7:00 am - 5:00 pm:

On-Site Registration (Grand Ballroom Foyer)

7:00 am - 7:00 pm:

Displays Area Opens (Brenton Hall)

7:00 am - 8:00 am:

Continental Breakfast (Brenton Hall)

8:00 am - 8:30 am:

Welcome Remarks (Grand Ballroom)

- **Lt Gen Lawrence P. Farrell, Jr., USAF (Ret)**, President and CEO, NDIA
- **Mr. Tyrone Taylor**, Director of Washington Operations, WVHTC, Chairman, NDIA Small Business Division
- **Mr. Jay Lustig**, Business Research and Development, Scientific Solutions, Inc., Conference Chairman

8:30 am - 9:15 am:

Executive Address

- **Governor Donald Carcieri, RI**

9:15 am - 10:00 am:

Keynote Speakers

- **Mr. Blaise Durante**, Deputy Assistant Secretary for Acquisition Integration, United States Department of the Air Force

10:00 am - 10:30 am:

Morning Break in the Display Area (Brenton Hall)

10:30 am - 11:15 am:

"NAVSEA PEO Submarines - Technology Insertion"

- **Mr. Richard McNamara**, Executive Director, PEO Submarines

11:15 am - 12:00 pm:

Program Manager's Perspective on Small Business Contributions to Major Programs

Moderator:

- **Mr. Norm Harkins**, Raytheon Company

Panelists:

- **Mr. Michael Hoefler**, Vice President, Future Naval Capability, Raytheon Company
- **Mr. Ed Geisler**, Deputy to the Vice President, Future Naval Capability, Raytheon Company
- **Mr. John Holmes**, Senior Director, Supplier Management & Procurement, Future Combat Systems, SAIC
- **Mr. Knob Moses**, Vice President, Operations, Government & Industrial Robotics, iRobot

12:00 pm - 1:30 pm:

Luncheon and Award Presentation (Rose Island I & II)

Dr. Kathleen P. Sridhar Small Business Executive of the Year Award

This award is given annually to an executive of a small business who has a strong record of business accomplishment demonstrated by leading a business that has shown such things as growth in revenues and profits, growth in employees, innovation in products and strength in its overall business condition. In addition to possessing astute business judgement, the executive must have also engaged in industry-wide activities that have helped to preserve and strengthen the Nation's Defense Industrial Base.

This year's award winner is: **Ms. Constance Blair, President, Technology Ventures, Inc.**

A Small Business Innovation Research Breakout (Vanderbilt Room)

1:30 - 3:00 pm	Representatives from DHS SBIR NIH SBIR DoD SBIR Navy SBIR	<ul style="list-style-type: none"> - Mr. Tim Sharp, Small Business Innovation Research Program Manager, Director, Advanced Technology Office - Mr. Michael Cacchitto, III, DoD, SBIR/STTR Program Administrator - Mr. Richard McNamara, Executive Director, PEO Submarines
3:00 - 3:30 pm		~ Afternoon Break in the Display Area ~

Moderator: Mr. Tyrone Taylor, WVHTC

B Special Topics (Newport Room)

1:30 - 2:15 pm	Mr. Charlie Summert, Jr. , Regional Administrator, US Small Business Association	
2:15 - 3:00 pm	Mr. Ralph Thomas, III , Former Asst. Administrator, NASA Small & Disadvantaged Business Utilization; Special Counsel to the Government Contracts Section of Buchanan Ingersoll	
3:00 - 3:30 pm	~ Afternoon Break in the Display Area ~	
3:30 - 4:00 pm	Ms. Illene Waggoner , Small Business Advocate, Office of Small & Disadvantaged Business Utilization, DHS	
4:00 - 4:30 pm	Mr. Rich Ramirez , Senior Business Advisor, Center for Veterans Enterprise (COVE), US Department of Veterans Affairs	
4:30 - 5:00 pm	"What Strategic and Financial Buyers Seek When Acquiring Small Businesses" Mr. Nick Howland , Associate, DFI International Mr. Matt Altman , Principal, Arlington Capital Partners	

Moderator: Mr. Ron Perlman, Buchanan Ingersoll, PC

C Adding Value (Ballroom A)

1:30 - 2:15 pm	Adding Value 1	Protecting IP Assets When Contracting with the Federal Government <ul style="list-style-type: none"> - Mr. Jacob (Jesse) Erlich, Patent Attorney/Partner, Burns & Levinson, LLP - Mr. Walter Kneissler, Esq., Corp. Counsel, Foster-Miller, Inc. - Ms. Dianne Proia, Esq., MBA, Contracts Attorney & Contracts Management Consultant, Proia & Associates, LLC
2:15 - 3:00 pm	Adding Value 2	Managing Up: Maximizing the Prime-Subcontractor Relationship <ul style="list-style-type: none"> - Mr. Michael Sweat, President, Odyssey Systems Consulting Group - Mr. John Marshall, President, Datacon, Inc.

1:30 pm - 5:00 pm:

Breakout C - "Adding Value" - (Continued)

3:00 - 3:30 pm		~ Afternoon Break in the Display Area ~
3:30 - 4:15 pm	Adding Value 3	Building Shareholder Value for Successful Exit - Mr. Paul Serotkin , President, Minutemen Ventures - Mr. Darrell Smith , Former President, Milestone Group
4:15 - 5:00 pm	Adding Value 4	Embracing Business Development: Marketing Your Company in the Federal Marketplace - Mr. Gary Dunbar , President, Gary A. Dunbar, Inc. - Ms. Ameeta Soni , Senior Vice President of Business Development, VFA, Inc.

Moderator: Mr. Paul Serotkin, Minuteman Ventures



Business Opportunity Networking (Ballrooms B, C and D)

	Ballroom B	Ballroom C	Ballroom D
1:30 - 2:15 pm	SBA Boston Ms. Ann Hubert Mr. Arvind Patel Mr. Robert Coen	SBA Rhode Island Mr. Mark Hayward Mr. Charles Summers	Anteon Ms. Ludmilla Parnell
2:15 - 3:00 pm	GSA Ms. Patricia Rockwell	Rolls Royce Ms. Jaye Lampert	General Dynamics Mr. Ed Hill
3:00 - 3:30 pm	~ Break in Display Area ~	~ Break in Display Area ~	~ Break in Display Area ~
3:30 - 4:15 pm	Lockheed Martin Ms. Karen Conti	Northrop Grumman Ms. Maren Cattonar	BAE Systems Mr. Wayne Patrick
4:15 - 5:00 pm	SBA Rhode Island Mr. Mark Hayward	Textron Mr. Bruce Boucher	Raytheon Company Mr. Ed Bogacz

Moderator: Mr. Norm Harkins, Raytheon Company

5:00 pm - 7:00 pm:

Evening Reception in the Display Area (Brenton Hall)

Wednesday, May 10

7:00 am - 8:00 am:

On-Site Registration and Continental Breakfast (Brenton Hall)

7:00 am - 8:00am:

Women in Defense (WID) Breakfast (Morgan and Astor Rooms)
- Sponsored by SAIC

7:00 am - 5:00 pm:

Display Area Opens (Brenton Hall)

8:00 am - 8:15 am:

General Session (Grand Ballroom)
Introduction
- **Mr. Norm Harkins**, Raytheon Company

8:15 am - 9:15 am:

Raytheon Executive Address
- **Mr. Daniel Smith**, Vice President, Raytheon Company;
President, Integrated Defense Systems

9:15 am - 10:30 am: Small Business Success Story Panel

Moderator:
- Ms. Joanna Lau, President & CEO, Lau Technologies

Panel:
- Mr. Jay Boyce, Foster-Miller, Inc.
- Mr. Knob Moser, Vice President, Operations, Government & Industrial Robotics, iRobot
- Mr. Michael Gray, CEO, Global Relief Technology

10:30 am - 11:00 am: Morning Break in the Display Area (Brenton Hall)

11:00 am - 12:30 pm: New England Military Installation Panel
"2006 & Beyond - Base Vision and Acquisition Outlook"

Moderator:
- Mr. Michael Gitlen, CPA, Government Contracts, Bartlett Services, Inc.; President, NDIA New England Chapter

Panel Members:
MASSACHUSETTS - Maj Gen Arthur Rooney, USAF, Vice Commander, Electronic Systems Center, Hanscom AFB
- Mr. Alan Macdonald, Executive Director, Massachusetts Defense Technology Initiative (BRAC Team)
RHODE ISLAND - MG Roger Nadeau, USA, REDCOM
- CAPT Michael Byman, USN, NAVSEA NUWC Newport, RI
- Mr. John Riendeau, Defense Industry Manager, RI Economic Development Corporation (BRAC Team)

12:30 pm - 1:30 pm: Luncheon (Rose Island I & II)

1:30 pm - 3:00 pm: Repeat of selected breakout sessions

A Networking Session with SBIR Program Managers (Vanderbilt Room)

1:30 - 3:00 pm	SBIR Program Managers	- Mr. Tim Sharp, Small Business Innovation Research Program Manager, Director, Advanced Technology Office - Mr. Michael Caccuitto, III, DoD, SBIR/STTR Program Administrator
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1:30 pm - 3:00 pm:

Repeat of Selected Breakout Sessions (Continued)

C

Adding Value (Ballroom A)

1:30 - 2:15 pm	<p>“Leveraging the SBIR Program”</p> <ul style="list-style-type: none">- Mr. Chuck Kolb, CEO, Aerodyne Research, Inc.- Mr. Jay Boyce, Senior Vice President, Foster-Miller, Inc.
2:15 - 3:00 pm	<p>Protecting IP Assets When Contracting with the Federal Government</p> <ul style="list-style-type: none">- Mr. Jacob (Jesse) Erlich, Patent Attorney/Partner, Burns & Levinson, LLP- Mr. Walter Kneissler, Esq., Corp. Counsel, Foster-Miller, Inc.- Ms. Dianne Proia, Esq., MBA, Contracts Attorney & Contracts Management Consultant, Proia & Associates, LLC

D

Business Opportunity Networking (Ballroom B, C and D)

	Ballroom B	Ballroom C	Ballroom D
1:30 - 2:15 pm	<p>Small Business Specialist NUWC Mr. Dave Rego</p>	<p>Small Business Specialist Natick Labs Mr. Dave Condon</p>	<p>Lockheed Martin Ms. Karen Conti</p>
2:15 - 3:00 pm	<p>Small Business Specialist Hanscom AFB Mr. Bill Donaldson</p>	<p>Northrop Grumman Ms. Maren Cattonar</p>	<p>SAIC Mr. Babak Nouri</p>

3:00 pm:

Conference Adjourns / Displayer Breakdown

~ Thank You to our **Platinum** Promotional Partner ~



Integrated Defense Systems (IDS), with 2005 sales of \$3.8 billion, is Raytheon's leader in Joint Battlespace Integration. Headquartered in Tewksbury, Massachusetts, IDS has more than 13,000 employees located at 17 mission centers and facilities worldwide.

A recognized leader in Radar Frequency technology, IDS produced the radar portion of the Missile Defense Agency's (MDA) Sea Based X-Band radar as part of an industry team, produced MDA's Forward Based X-Band Transportable Radar, and was selected by the Air Force to produce an integrated early warning radar for Taiwan.

As a leader in systems integration, IDS was chosen by the US Navy as the prime systems integrator for the DD(X), CVN-21 and the Cobra Judy Replacement (CJR), utilizing Dual Band Radar for both DD(X) and CJR. With a strong international and domestic customer base, including the US Missile Defense Agency, and the US armed forces, Integrated Defense Systems provides a wide spectrum of integrated air and missile defense and naval and maritime warfighting solutions.

~ Thank You to our Promotional Partner ~



For over three decades, Science Applications International Corporation (SAIC) has created solutions to solve complex technical challenges worldwide. Using the expertise of our more than 40,000 employees owners, we work closely with our customers to provide solutions for commercial and government customers alike. Our solutions are designed to add value to operational processes by reducing costs and increasing efficiency in: national and homeland security, logistics and space.

Now as a Fortune 500 corporation with \$7.2 billion in annual revenues, we are the largest employee-owned research and engineering company in the US As part of an employee-owned company, each employee knows his or her quality of work plays a role in ensuring customer satisfaction. With SAIC, you can count on us to help you turn your technological challenges into valuable solutions.

NATIONAL SECURITY

SAIC's national security efforts span and support all defense components—from peacekeeping and humanitarian missions to major international conflicts. From high-level policy development and theater-level systems to hands-on field support, SAIC supports our customers' missions and goals. As one of the top ten largest US defense contractors, SAIC answers the call of quality systems that support national defense.

HOMELAND SECURITY

With the diverse expertise of our employees, we have established a leadership role in homeland security and public safety. Our award-winning, Public Safety Integration Center offers a work laboratory to demonstrate integrated security solutions using a broad-spectrum of vendor products that perform across multiple security-related agencies.

LOGISTICS

SAIC professional support Department of Defense missions with the latest in technological advances that meet the goals of joint operational logistics. At SAIC, you will find our engineers and technicians supporting a number of federal agencies including the Defense Advanced Research Projects Agency, the Joint Forces Command and the US Transportation Command.

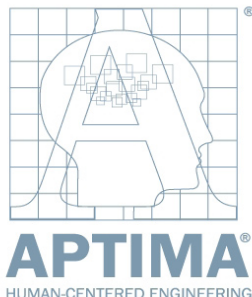
SPACE

SAIC plays a leading role in supporting the US space program. We provide safety, reliability, and quality assurance engineering support for vital NASA projects, including Space Shuttle missions and the International Space Station. Though our remote sensing, simulation technologies, and support for atmospheric studies, we are expanding the knowledge of our planet and its solar system.

Thank You to our Promotional Partners!!

Buchanan Ingersoll PC
ATTORNEYS

 **Foster-Miller**
A QinetiQ Company



**BURNS
& LEVINSON LLP**



Raytheon

**National Small Business Conference
Hyatt Regency Newport
Newport, RI
Event #6140**



Naval Undersea Warfare Center Division Newport

***Presented to:
NDIA Small Business Conference***

***CAPT Mike W. Byman
Commander, NUWC Division Newport***

10 May 2006



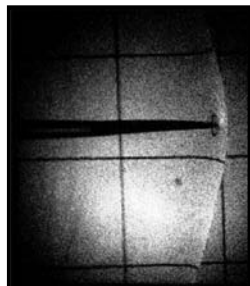
NUWC:



- **Navy repository of USW knowledge**
 - Unique disciplines not found in private sector
 - State-of-the-art tools and facilities
 - Highly trained and motivated workforce
 - Includes other warfare that “Come from Under the Sea”
- **Foundation for USW superiority**
 - Stimulates private sector
 - Extensive international relationships
 - Synergistic association with academia
 - Acquisition and Fleet intellectual support

A Navy Core Equity

Undersea Warfare Superiority



INNOVATION



Prototyping



Undersea Warfare
Analysis









Test & Evaluation

Today and Tomorrow

Our Heritage



1869	1945	1966	1970	Today
				
<p>Naval Torpedo Station at Goat Island 1869 - 1951</p> <ul style="list-style-type: none"> • Torpedo Repair • Torpedo Ranging and Testing • Torpedo School 	<p>Underwater Sound Lab New London, CT 1945 - 1970</p> <ul style="list-style-type: none"> • Pioneers in Sonar Systems Development 	<p>Naval Undersea Weapons Research and Engineering Station 1966 - 1970</p>	<p>Naval Underwater Systems Center 1970 - 1991</p> <ul style="list-style-type: none"> • Growth of Test and Evaluation Functions 	<p>Naval Undersea Warfare Center Division, Newport 1992 - Present</p> <ul style="list-style-type: none"> • Test and Evaluation • Engineering and Fleet Support • Autonomous Underwater Systems

At the Forefront of Undersea Systems Development for Over a Century

NAVSEA Warfare Centers' Divisions



Newport



- USW Research & Development
- Sub and Surface Undersea Warfare Systems
- Engineering & Acquisition Support
- USW Range Development

Keyport



- USW Weapons Test, Training & Evaluation
- Torpedo Depot/Industrial
- USW In-Service Support

Crane



- Ordnance Test & Evaluation
- Surface Electronic Warfare Repair/Support

Indian Head



- Energetic Systems

Carderock



- Ship Integration & Design

Dahlgren



- Surface Ship Combat Systems
- Amphibious Warfare Systems
- Strategic Systems
- Homeland Security

Port Hueneme



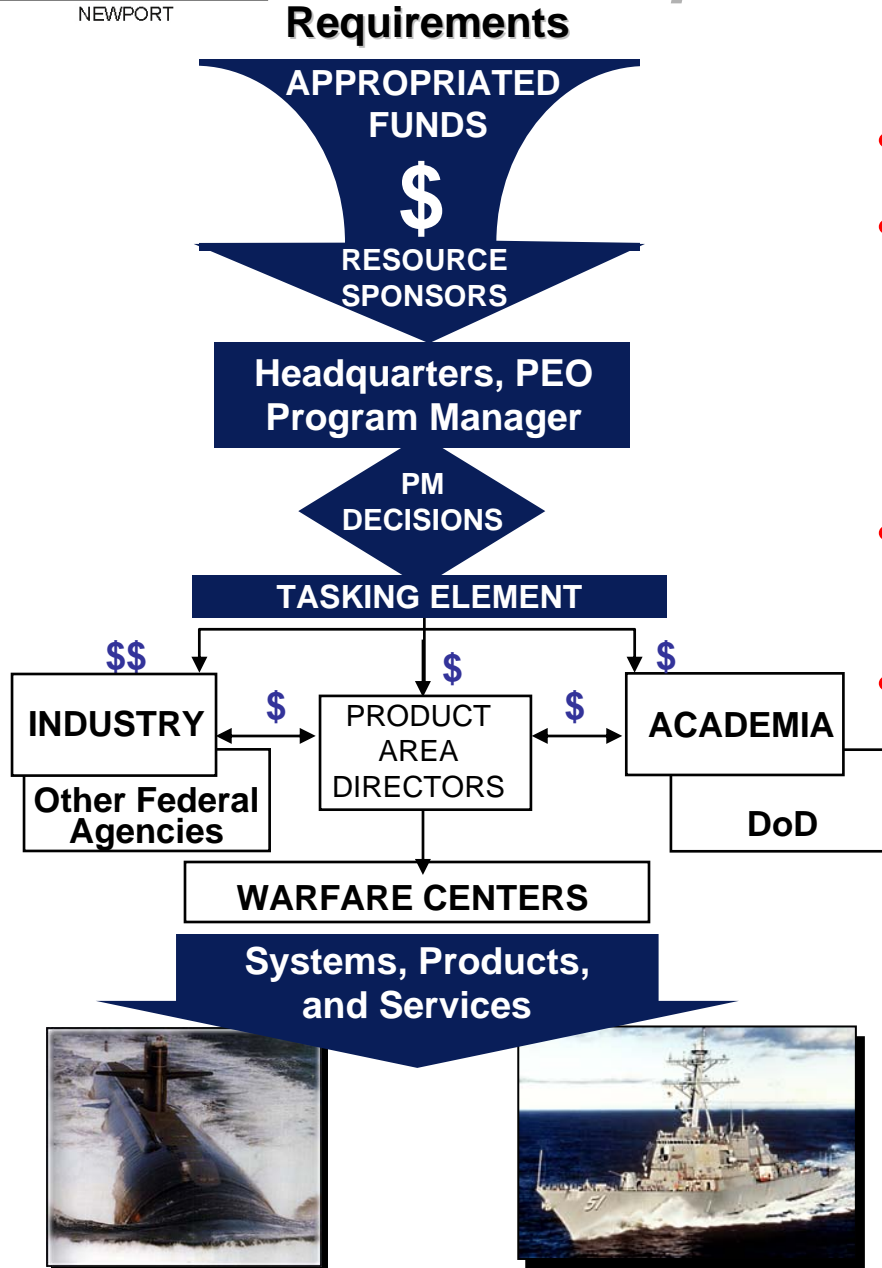
- Surface Ship Combat & Weapon Control Systems
- Air & Surface Surveillance & Detection Systems

Corona



- Performance Assessment of Ship Systems

We Operate As A Business



- We are not institutionally funded
- We need to attract program sponsors (customers)
 - Quality
 - Reasonable price
- Our viability depends on our budget provided by customers
- We sign a contract – responsible / accountable to our customers for quality / timeliness of product / services

We run an efficient, cost effective business

Collaboration: Your success is our success



Stable, Long Term Investments
-Stewardships-



Office
of Naval
Research
Etc.



Service Laboratories/Centers

Basic Research, Fundamental
Ideas, Scientific Talent Pool

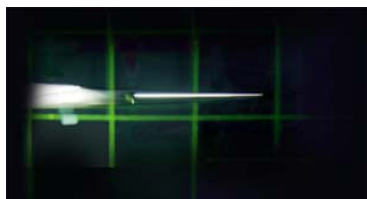
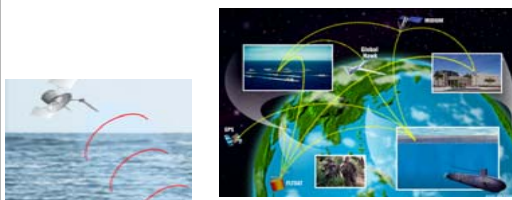
Educational Partnership
Agreements +



Academia



High Risk, High Payoff R&D



Foreign Military Sales

Armament Cooperation
Programs

Data Exchange Agreements

Technical Cooperation
Programs

Cooperative Research and
Development Agreements

U. S. Allies

Demo/Validation, Production



CRADA's



Industry

SBIR

IRAD

Department of Defense



Michael Caccuitto
DoD SBIR/STTR Program Administrator



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Department of Defense

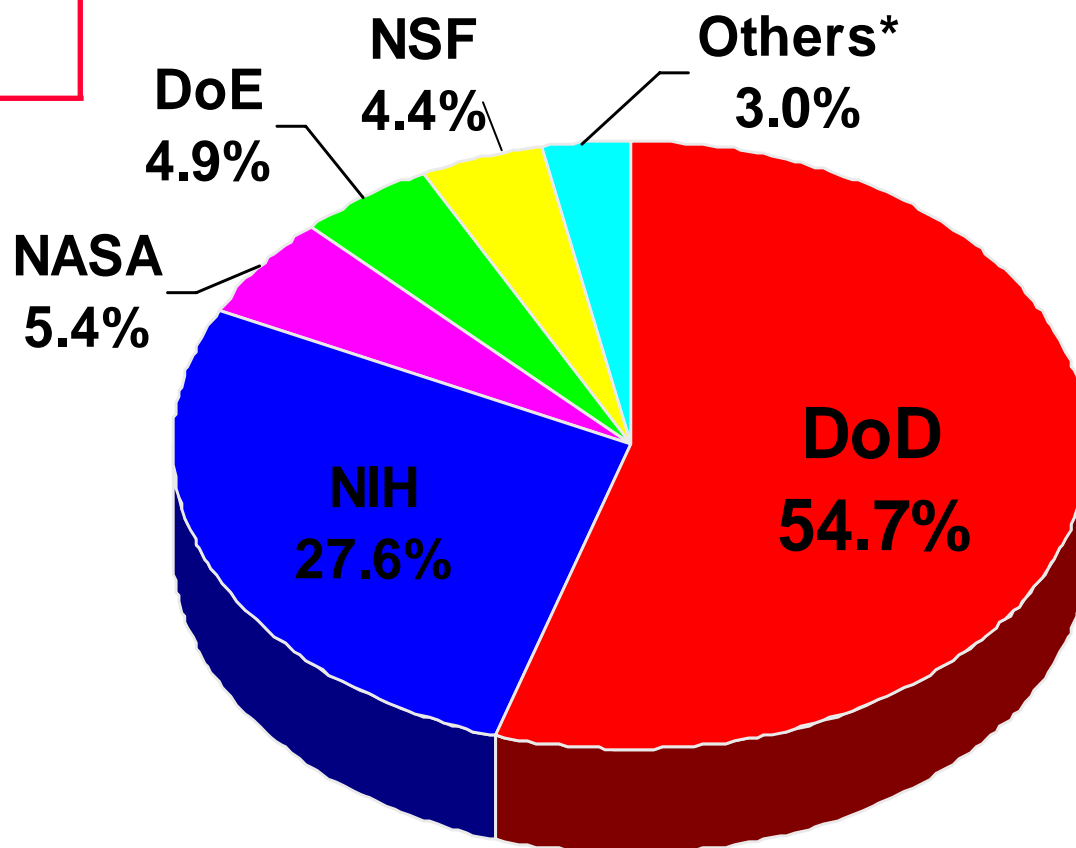
DoD SBIR/STTR Mission

Advancing technology development
by small businesses for the military
warfighter and the nation



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Department of Defense

DoD is Half the Federal SBIR Program

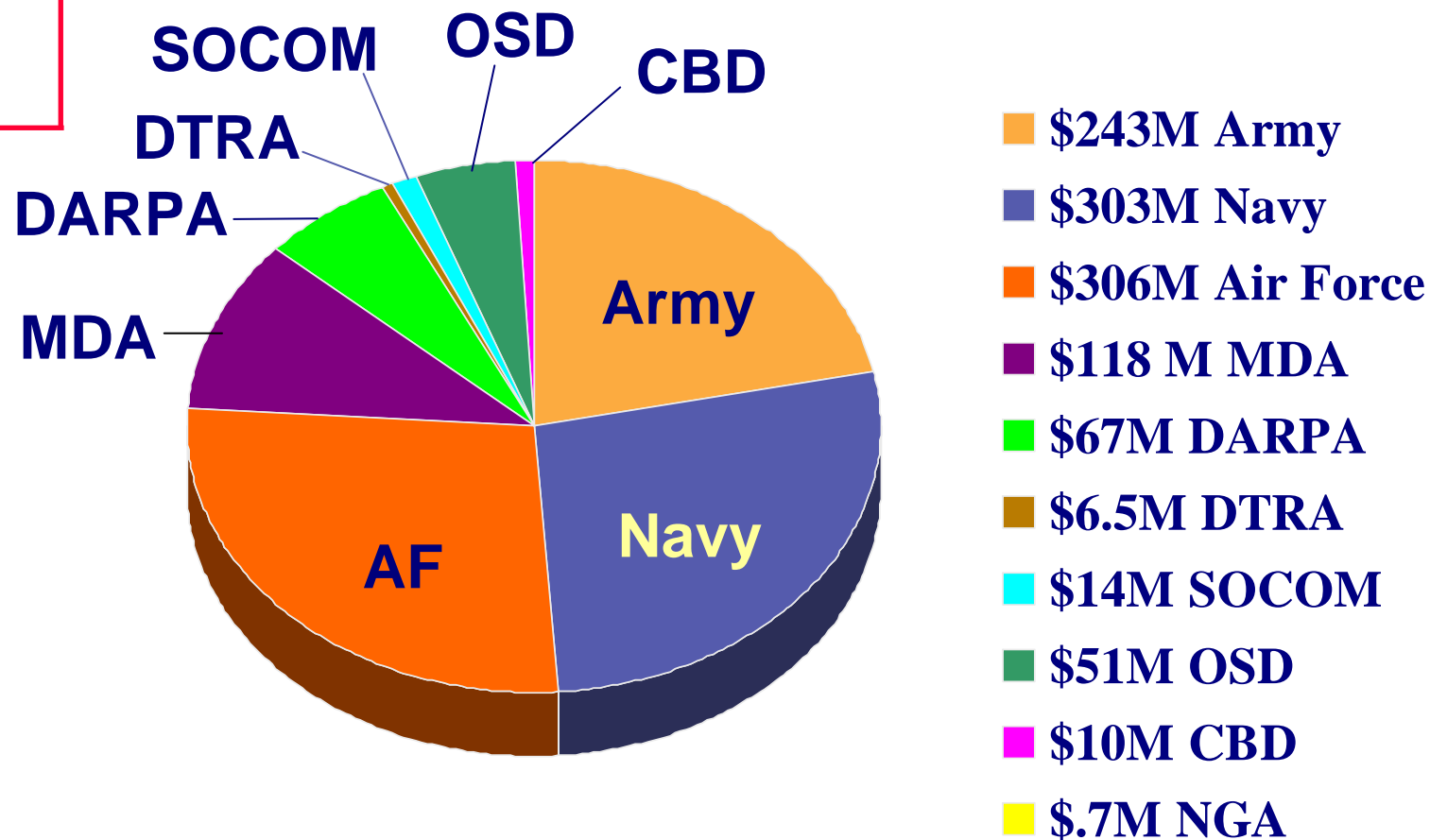


Largest of 11
Participating
Federal Agencies

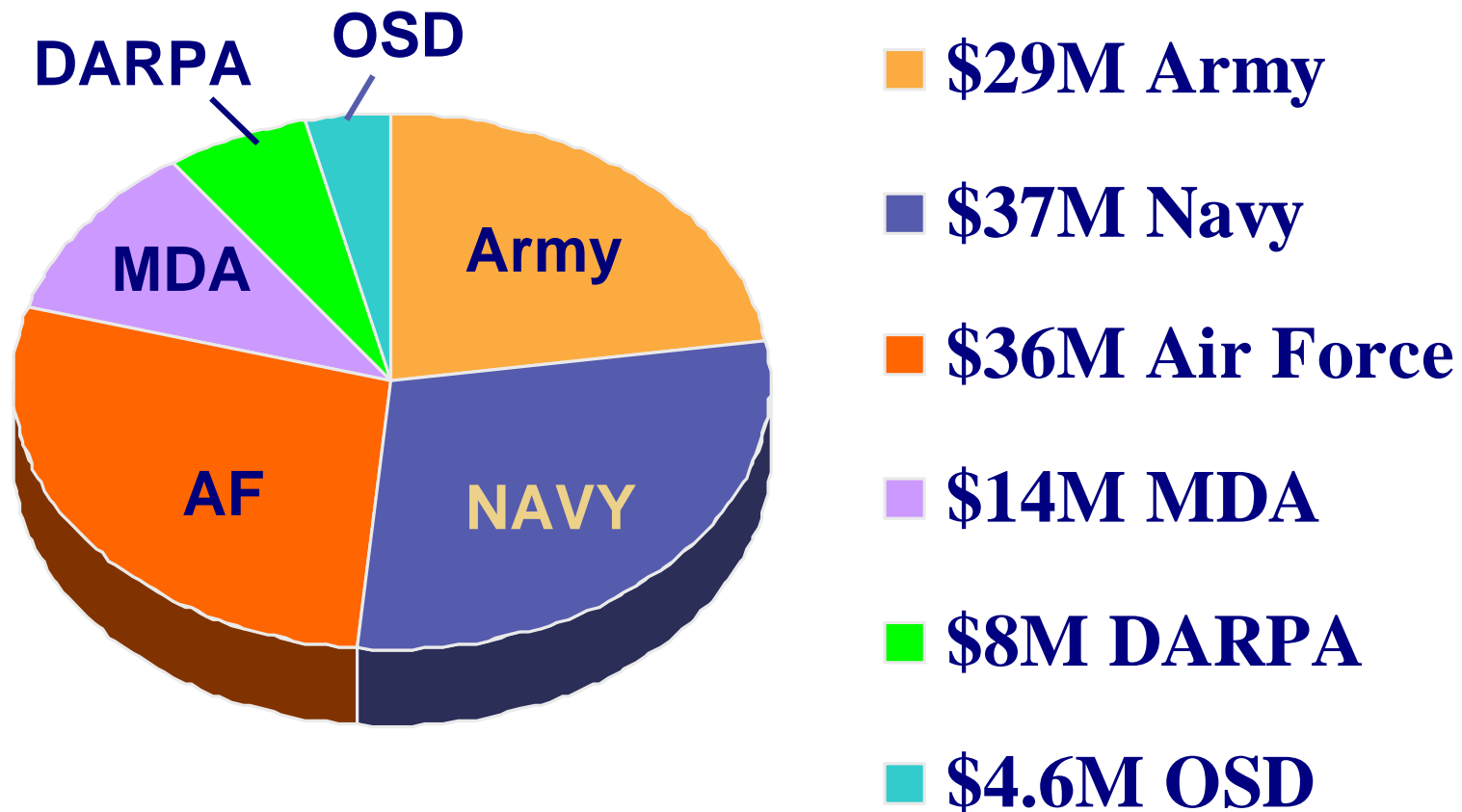
SBIR FY06 Budget
\$1.12B

STTR FY06 Budget
\$130M

DoD SBIR FY06 Budget

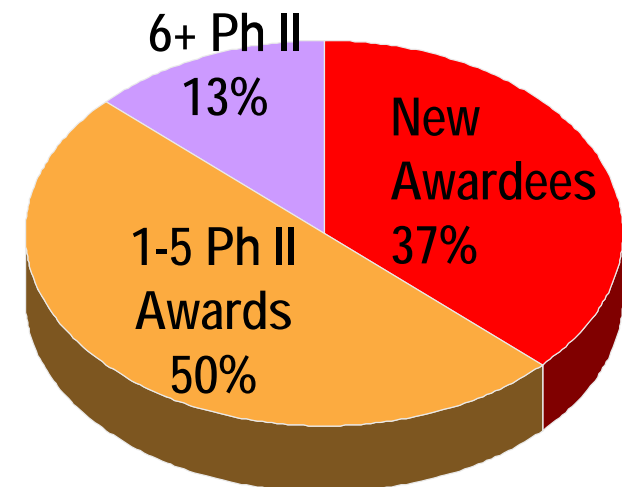
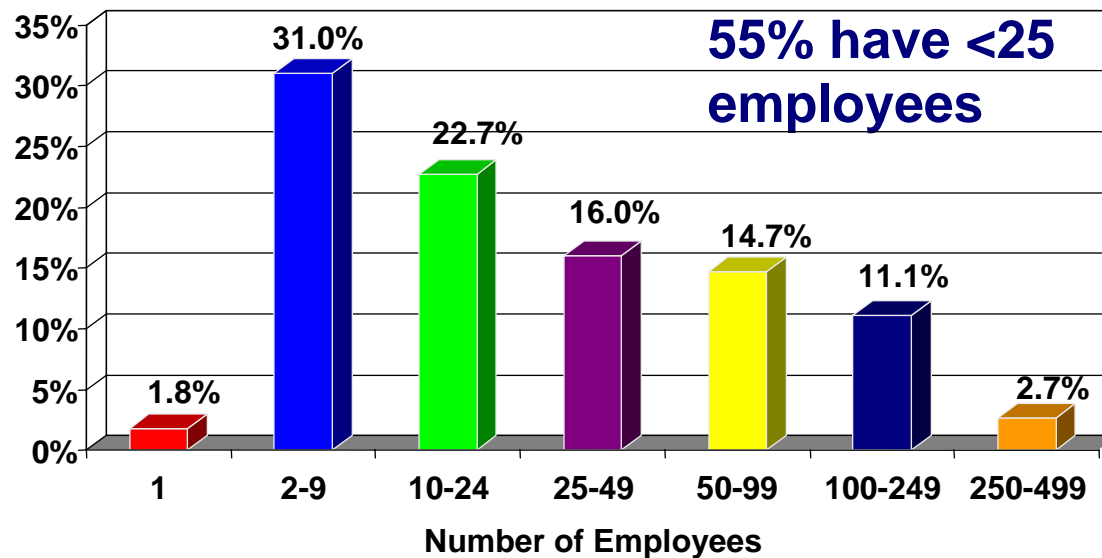


DoD STTR FY06 Budget



Firm Participation: Phase I Awardees are

- ✓ Typically very small
- ✓ Fairly new to the programs



FY05 Phase I Awardees

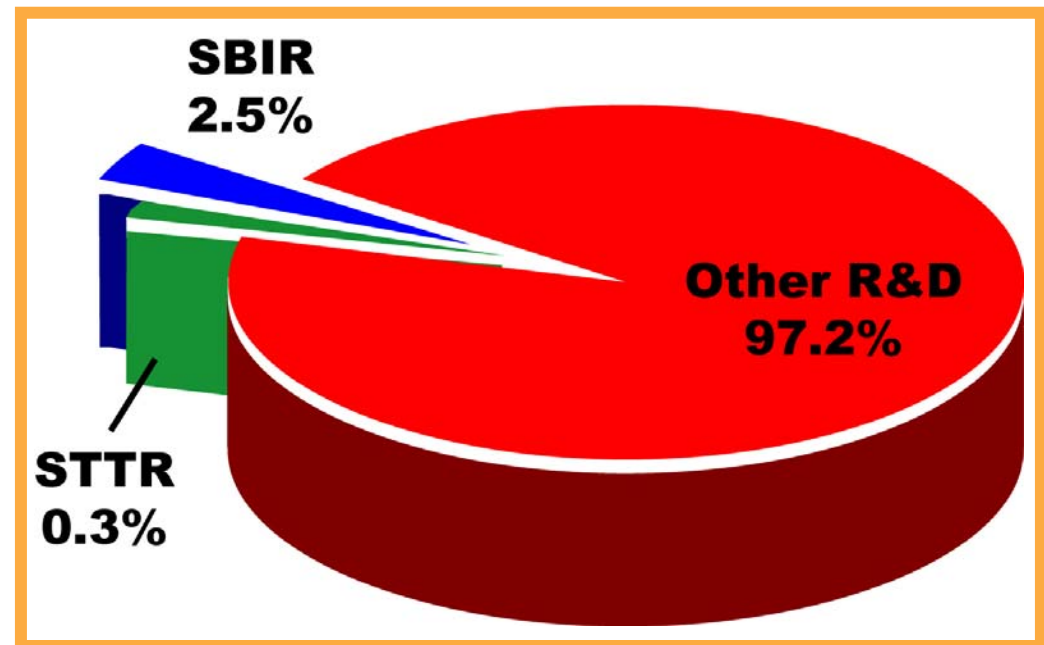
Firm data as of March 2006



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Department of Defense

SBIR/STTR: Small Piece of R&D Pie

SBIR and **STTR**
are a small
percentage of the
total extramural R&D
budget, but is where
small businesses
demonstrate their
capability to meet
federal R&D needs



**Total Extramural
R&D Budget**

DoD Technology Areas

- ✓ Air Platforms
- ✓ Battlespace Environments
- ✓ Chemical & Biological Defense
- ✓ Weapons
- ✓ Human Systems
- ✓ Materials & Processes
- ✓ Information Systems Technology
- ✓ Space Platforms Technology
- ✓ Biomedical
- ✓ Sensors, Electronics & Electronic Warfare
- ✓ Nuclear Technology
- ✓ Ground and Sea Vehicles Technology



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Department of Defense

Evaluation Criteria

- ✓ Soundness, technical merit, and innovation of proposed approach and its incremental progress toward topic or subtopic solution
- ✓ Qualifications of the firm and team to perform R&D and commercialize results
- ✓ Potential for commercialization

FY06 Solicitation Dates

SBIR: 06.1 open: December 13, 2005
close: January 13 at 6 a.m. EST

06.2 open: June 14, 2006
close: July 14 at 6 a.m. EST

06.3 open: September 13, 2006
close: October 13 at 6 a.m. EST

STTR: 06 open: March 14, 2006
close: April 14 at 6 a.m. EST

Solicitations are pre-released for Q&A 6 weeks prior to open date

Website: www.dodsbir.net

The screenshot shows the homepage of the Department of Defense Small Business Innovation Research Resource Center. The header features the Department of Defense seal and the text "DEPARTMENT OF DEFENSE Resource Center Small Business Innovation Research" with the website URL "www.dodsbir.net". The main content area is organized into four columns: SEARCH, INTEREST, HELP, and SUBMISSION. The SEARCH column includes links for AWARDS, TOPICS, and SITIS. The INTEREST column lists various resources like ABOUT SBIR/STTR, CURRENT SOLICITATION, SELECTION LISTINGS, CONFERENCES, DESK REFERENCE, MAJOR ACQUISITION LIAISONS, SUCCESS STORIES, FIRMS IN THE NEWS, SBIR ANNUAL REPORT, STTR ANNUAL REPORT, and FAST TRACK. The HELP column includes HELPDESK, WEBSITE, LISTSERV, and SUBMISSION TUTORIAL. The SUBMISSION column features a link for SUBMISSION. A yellow "NEW" banner is placed next to the SUBMISSION TUTORIAL link. A blue bar at the bottom contains the text "PRIVACY AND SECURITY POLICY".

DEPARTMENT OF DEFENSE
Resource Center
Small Business Innovation Research
www.dodsbir.net

SEARCH

- AWARDS**
DoD SBIR & STTR Awards
- TOPICS**
Current DoD SBIR & STTR Topics
- SITIS**
Interactive Topic Info System

INTEREST

- [ABOUT SBIR/STTR](#)
- [CURRENT SOLICITATION](#)
- [SELECTION LISTINGS](#)
- [CONFERENCES](#)
- [DESK REFERENCE](#)
- [MAJOR ACQUISITION LIAISONS](#)
- [SUCCESS STORIES](#)
- [FIRMS IN THE NEWS](#)
- [SBIR ANNUAL REPORT](#)
- [STTR ANNUAL REPORT](#)
- [FAST TRACK](#)

HELP

- HELPDESK**
Answers Questions About DoD SBIR & STTR
- WEBSITE**
Main Website for More Information
- LISTSERV**
Subscribe to Receive Program Notices and Updates
- SUBMISSION TUTORIAL**
Tutorial on how to use the DoD SBIR/STTR Submission Site

SUBMISSION

- SUBMISSION**
DoD SBIR/STTR Proposal Submission

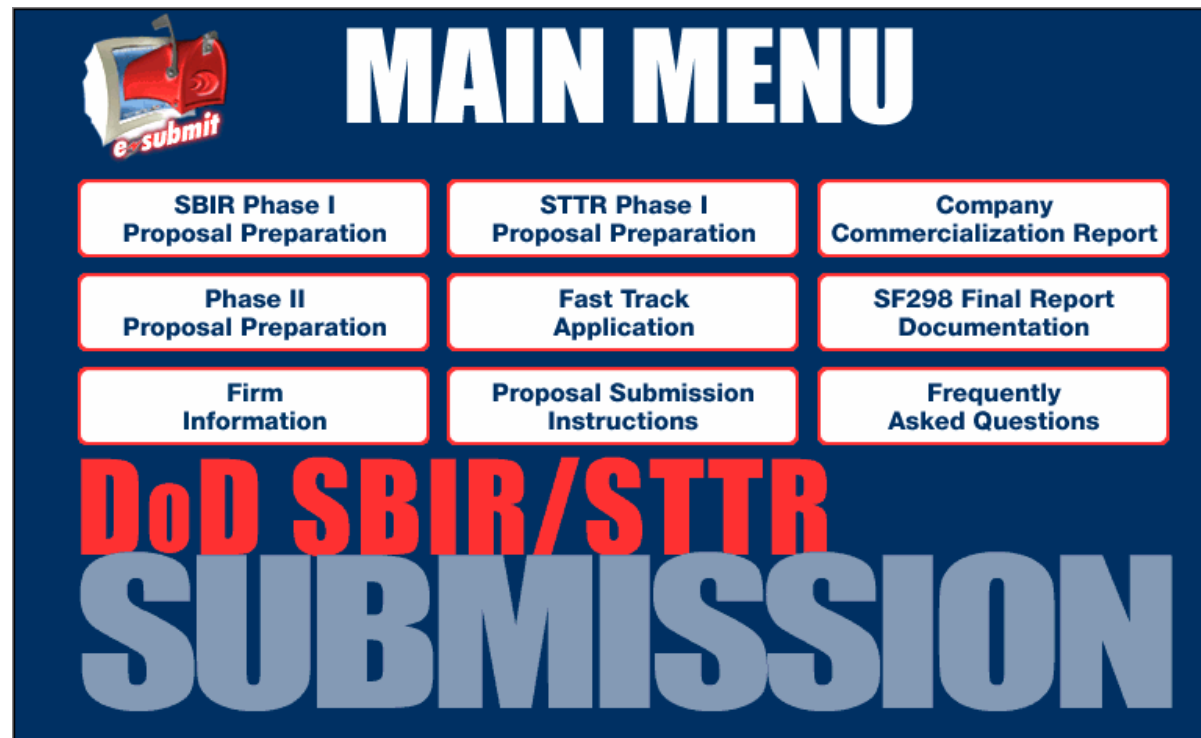
PRIVACY AND SECURITY POLICY

Provides links to the current solicitation, search for topics, awards and SITIS information, learn more about SBIR/STTR, Proposal Submission, Success Stories, Conferences, Fast Track, Annual Reports, and additional Help.



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Department of Defense

Electronic Proposal Submission



The Submission Site's Main Menu allows registered firms to prepare and submit Phase I and Phase II proposals, update their Company Commercialization Report and Firm Information, prepare a Fast Track application, and prepare a Final Report Documentation Page.



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Department of Defense

SUCCESS STORIES



Small Arms Protective Inserts (SAPI)



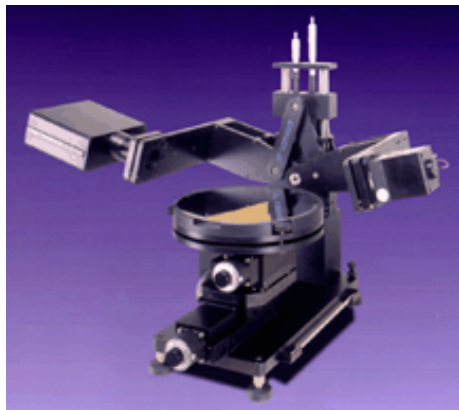
Phraselator: hand-held phrase translation system



Multi-Purpose Processor (MPP) and associated Multi-Purpose Transportable Middleware (MTM)



World's first whole-spacecraft vibration isolation system.



Commercially-viable method For improved semiconductor wafer production



QC-40 DSP board, which launched on Mighty-SatII Spacecraft

Army SBIR & STTR

The Army Research Office (ARO)– Washington manages the Army SBIR Program and the ARO, in Research Triangle Park, NC, manages the Army STTR Program. These programs allow small, high-tech U.S. businesses and academia to propose innovative R&D solutions to critical Army technology requirements that benefit the warfighter

Tech Areas: **Materials, Information Systems Technology, Sensors, Weapons, Ground & Sea Vehicles, Human Systems**

PEOs: **Ammunition, Soldier, CS&CSS, C3T, EIS, GCS, IEW&S, STRI, Aviation, JSSEO, Missile & Space**

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	245	705	123
STTR	32	48	26
TOTAL	277	753	149

FY06 Budget:

SBIR \$243,385,000

STTR \$29,203,000

Solicitations:

SBIR FY06.2 (July)

STTR FY06 (April)

PM: **Susan Nichols**
Ellen Segan



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Department of Defense

Navy SBIR & STTR

The Navy's SBIR/STTR programs are mission-oriented, integrating the needs and requirements of the Navy's Fleet through R&D topics. They provide companies the opportunity to become part of the national technology base. We emphasize on the small business the need to market its Phase II technology to both military and private sectors.

Tech Areas: **Sensors, Materials, Electronics, Battlespace, Information Systems Technology, Ground & Sea Vehicles**

PEOs: **Submarine, IW, Aircraft Carriers, Ships, LMW, Air ASW, JSF, Tactical Air Programs, Strike Weapons & Unmanned Aviation**

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	163	466	290
STTR	33	96	33
TOTAL	196	562	323

FY06 Budget:

SBIR \$321,577,000

STTR \$38,589,243

Solicitations:

SBIR FY06.1 (January)

SBIR FY06.2 (July)

STTR FY06 (April)

STTR FY06.3 (October)



PM: **John Williams**



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Air Force SBIR & STTR

The AF SBIR/STTR Programs serve the technology needs of the Air Force warfighter. The Air Force Research Laboratory's (AFRL) integrated R&D team's mission is to be the Air Force's agent for identifying and providing advanced, affordable, and integrated technologies that keep our Air Force the best in the world.

Tech
Areas:

Directed Energy, Human Effectiveness, Materials, Information Technology, Munitions, Propulsion, Sensors, Air Vehicles, Space Vehicles

DACs &
PEOs:

AAC, ASC, ESC, SMC, OC-ALC, OO-ALC, WR-ALC, AEDC, AFFTC, 46th TW, JSF, F/A-22

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	249	608	339
STTR	27	106	49
TOTAL	276	714	388

FY06 Budget:

SBIR \$306,274,000

STTR \$36,753,000

Solicitations:

SBIR FY06.1 (January)

STTR FY06 (April)

PM: **Steve Guilfoos**



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DARPA SBIR & STTR

Defense Advanced Research Projects Agency

DARPA SBIR/STTR Programs stimulate technological innovation, strengthen the role of small business in meeting DARPA and DoD R&D needs, foster and encourage participation by minority and disadvantaged persons in technological innovation, and increase private sector commercialization of technological advances developed through DARPA funded R&D.

Ph I: must identify end user

Ph II: must maintain communications with DARPA PM; pass DCAA audit

Tech Areas: **Electronics, Sensors, Information Systems Technology, Battlespace**

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	28	74	80
STTR	9	24	8
TOTAL	37	98	88

FY06 Budget:

SBIR \$67,019,000

STTR \$8,042,000

Solicitations:

SBIR FY06.2 (July)

STTR FY06 (April)



PM: Connie Jacobs



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MDA SBIR & STTR

The MDA SBIR/STTR Programs support MDA's mission to develop and field an integrated Ballistic Missile Defense System (BMDS) capable of providing a layered defense for the homeland, deployed forces, friends, and allies against ballistic missiles of all ranges in all phases of flight.

Tech Areas: **Materials, Sensors, Space Platform, Information Systems Technology, Weapons**

Transition: **Ballistic Missile Defense System (BMDS)**

Missile Defense Agency

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	69	240	102
STTR	21	30	16
TOTAL	90	270	118

FY06 Budget:

SBIR \$118,843,350

STTR \$14,261,202

Solicitations:

SBIR FY06.3 (October)

STTR FY06 (April)



PM: **Mike Zammit**



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OSD SBIR & STTR

By supporting high quality R&D to support defense-related scientific or engineering problems, the OSD SBIR/STTR Programs stimulate technological innovation, strengthen the role of small business in meeting DoD R&D needs, foster and encourage participation by minority and disadvantaged persons in technological innovation, and increasing the commercial application of DoD-funded R&D results.

DDR&E and DHP

Tech Areas: **Materials, Weapons, Biomedical, Information Systems Technology**

Office of Secretary of Defense

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	68	163	38
STTR	5	20	0
TOTAL	73	183	38

FY06 Budget:

SBIR \$51,000,000*

STTR \$4,600,000

Solicitations:

SBIR FY06.3 (October)

STTR FY06 (April)



PM: **Teresa Puretz**



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SOCOM SBIR

Topics are capabilities-based, designed to focus on the needs of the Special Operations Forces (SOF) Warrior. Topics have been selected on their potential to transition to an acquisition program. USSOCOM is seeking small businesses with a strong R&D capability to transition technology to provide the SOF Warrior enhanced equipment and training.

Tech Areas: **Mobility, Information Operations & Psychological Operations, Sensors, Command and Control, Fire Support, Training Systems, Logistics, Medical Signature Management, Command, Control, Communications, and Computers (C4), Power and Energy, Tagging, Tracking and Locating (TTL)**

Special Operations Command

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	11	25	14

FY06 Budget:

SBIR \$14,133,000

Solicitations:

SBIR FY06.1 (January)

SBIR FY06.2 (July)

PM: **Karen Pera**



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DTRA SBIR

DTRA is actively involved in meeting current threats to the Nation and working toward reduction of CBRNE (Chemical, Biological, Radiological, Nuclear and Explosives) threats in the future. To meet these requirements, DTRA seeks small businesses with strong R&D capability and expertise in weapons effects (blast, shock and radiation), arms control, dispersion modeling, chemical and biological defense, and counterproliferation technologies.

Tech
Areas: **Sensors, Nuclear Technology**

Defense Threat Reduction Agency

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	14	40	4

FY06 Budget:
SBIR \$6,579,000

Solicitation:
SBIR FY06.1 (January)

PM: **Lt. Col. John Kelley**



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CBD SBIR

The objective of the CBD SBIR program is to elicit innovative solutions from the small business community that address chemical and biological defense technology gaps confronting DoD and to include technologies that will also have high commercialization potential in the private sector. Technologies developed have the potential to transition to the Joint Program Executive Office (JPEO-CBD) if the appropriate level of technology maturity has been demonstrated.

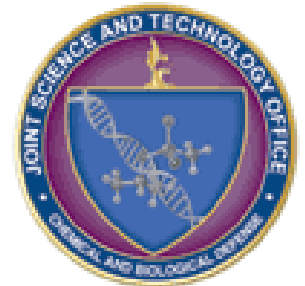
Chemical and Biological Defense

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	23	21	7

FY06 Budget:
SBIR \$10,212,000

Solicitation:
SBIR FY06.1 (January)

PM: **Larry Pollack**



Tech Areas: **Chemical/Biological Defense, Biomedical, Sensors, Info Systems**

PEOs: **JPEO-CBD**



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NGA SBIR

The mission of the NGA is to provide timely, relevant, and accurate Geospatial-Intelligence in support of national security. NGA provides geospatial intelligence in all forms, and from whatever source – imagery, imagery intelligence and geospatial data and information – to ensure the knowledge foundation for planning, decision, and action.

Therefore, NGA pursues research that will help guarantee the information edge over potential adversaries.

Tech
Areas: Information Systems Technology

National Geospatial-Intelligence Agency

FY05	Number of Topics	Phase I Awards	Phase II Awards
SBIR	1	2	1

FY06 Budget:

SBIR \$700,000

Solicitation:

SBIR FY06.1 (January)

PM: **Nancy Groves**



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Questions?

- ✓ Contact the DoD
SBIR/STTR Help Desk
 - ✱ 866-724-7457
 - ✱ www.dodsbir.net/helpdesk



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Department of Defense



Small Business Perspectives NDIA Small Business Conference

**ESC/BC
May 8-10th, 2006**

Small Business Topics

Presented by

Bill Donaldson & Leo Layon
(781) 377-4973

**THE VIEWS EXPRESSED IN THIS WORKSHOP ARE THOSE OF THE AUTHORS AND DO NOT
REFLECT THE OFFICIAL POLICY OR POSITION OF THE DEPARTMENT OF DEFENSE OR
THE UNITED STATES AIR FORCE**



Overview

Main Points:

- Small Business News
- Small Business Legal Legacy
- Getting Traction in USAF Contracts
- Goals
- Discussion
- Wrap-up and Questions & Answers



Small Business News – 68FR 20350

- Final Rule – RIN 3245-AF06
- Small Business Utilization – CPARS
- Small Business Office Name Change



Small Business Utilization as Past Performance Factor

- Contractor Performance Assessment Report (CPAR)
- USAF and USN Contractor “Report Card”
- Types of Subcontracting Plans:
 - Individual – applies to specific contract
 - Master – contains all elements of Individual, except goals
 - Commercial – production of commercial items
 - Comprehensive – DoD Test Program –Corporate or plant-wide
- Clauses:
 - FAR 52.219-8 Utilization of Small Businesses
 - FAR 52.219.9 Small Business Subcontracting Plan (DFARS 252.219-7003 & 7004)



SB Utilization (Continued)

- Requires the offeror to submit and negotiate a subcontracting plan addressing SB, VOSB, SDVOSB, HUBZone SB, SDB, and WOSB concerns.
 - Goals for each category as a percentage of total planned subcontracting dollars
 - Method used to identify potential sources
 - Description of efforts offeror will make to assure SB have an equitable opportunity to compete for subcontracts
 - Contractor reports subcontracting data via SF 294/SF295 bi-annually



SB Utilization (Continued)

- Required in solicitations and contracts that offer subcontracting possibilities and the contract is expected to exceed \$500,000 (\$1,000,000 for construction at a public facility), and
- The clause FAR 52.219-8 is included



SB Utilization (Continued)

- CPARs Recommended Changes:
 - OSD Subcontracting Manager's Group recommends separate rating element for assessing "Small Business Utilization" – distinct from "Business Relations" or "Subcontract Management"
 - More comprehensive assessment of contractor's utilization of SB – rather than just the achievement of SB goals
 - Meet the past performance evaluation requirements including DFARS 215.305



CPARS Recommended Assessments

- Compliance with terms and conditions of the contract for Small Business participation
- Compliance with FAR 52.219-8 and FAR 52.219-9
 - Compliance with individual subcontracting plan
 - Good faith effort towards meeting goals
 - Identification of potential sources and efforts made to assure SB had equitable opportunity to compete
 - Data from SF 294s/295s
 - Compliance with comprehensive plan including submission of any required program specific data
- May require DCMA/ACO/PCO input



Small Business Offices

Section 901 of the FY06 National Defense Authorization Act changes Office titles:

From: “Small and Disadvantaged Business Utilization”

To: “Office of Small Business Programs”



Legal Legacy

- Small Business Mobilization Act of 1942
 - Price differential in time of war – supported small plants
- Armed Services Procurement Act of 1947
- Defense Production Act of 1950 – allowed awards to Small Businesses at other than the lowest price
 - Early yrs of WW II – 100 large corps rec'd 67% of Fed Prime Ks
 - ...during this period, one-sixth of Nations SBs closed their doors
 - This Mistake Must Not Be Repeated!
- Small Business Act of 1953
 - Created SBA – two notable aspects for today's discussion:
 - Incorporate Subcontracting Clauses in Ks over \$10,000.00
 - Required Fed Agencies to publicize all procurements over Small Purchase Threshold in the Commerce Business Daily



Legal Legacy Highlights

- Revision to the Small Business Act of 1953 (1978)
 - Req'd Fed Agencies to Establish Small Business Goals
 - Req'd SB & SDB Subcontracting Goals for Ks to LBs
 - Reserved all awards under \$25K for Small Business
 - Req'd establishment of Office of Small and Disadvantaged Business Utilization – appointed by- & reports to CC
- National Defense Authorization Act (1987)
 - Established SDB Program and 5% Goal
- Federal Acquisition Streamlining Act (1994)
 - Set “Micro-purchases” at \$2,500 or less; established SAT at \$100K (Auto SB reservation became \$2,500 to \$100K)
 - Added WOSB to Subcontracting Plans



Getting Traction in Military Contracts

- First things to consider are your strengths and weaknesses
- Seek customers who can benefit from your strengths
 - Find customers who cannot do what you can do
 - Find a problem – then solve it
 - NAICS Codes are a good place to start
 - Capitalize on Socioeconomic status; size
- Within the Government, find the optimal route to the decision makers
 - Trial & Error wastes time and money
 - Use Government Websites; <http://www.selltoairforce.org> ;
<http://www.sellingtoarmy.info> ;
<http://www.hq.navy.mil/sadbu>



Getting Traction (Continued)

- Know your CCR, Cage Code and DUNS Number
- Don't mass email
- Use your advocates:
 - Small Business Specialists - \$100M or more
 - Procurement Technical Assistance Centers (PTACs)
 - Small Business Liaison Officers (SBLOs)
 - Small Business Administration
 - General Services Administration
 - State and local agencies, chambers, blue pages, etc.
- Never pay anything!.... well almost never!!!



ESC Small Business Office

- Be Sure to Monitor The Hanscom AFB Electronic RFP Bulletin Board at: <http://herbb.hanscom.af.mil>
- Schedule a meeting with us, ESC/BC
 - Appointments, call (781) 377-4973
 - Get our Business Card - contact us



Small Business Goals

- Statutory Prime Contract Goals for USG Agencies/Departments FY06:

■ Small Business	23%
■ SDBs	5.8%
■ WOSBs	5%
■ HubZ	3%
■ SDV OSBs	3%



Small Business Goals

- DoD FY 2006 Goals:

- | <u>Prime Contract:</u> | <u>Subcontracting:</u> |
|------------------------|------------------------|
|------------------------|------------------------|

▪ Small Business	23%	40%
▪ SDBs	5.8%	5%
▪ WOSBs	5%	5%
▪ HubZ	3%	*
▪ SDV OSBs	3%	3%
▪ HBCU/MI	5%	5%**

- * - HUBZ S/C pgm does not req a DoD-wide goal but reqs negotiation of HUBZ goal in all DoD Ks and s/cs that req a S/C plan
- ** - DoD components not req'd to est sep HBCU/MI s/c targets – these should be included when developing S/C targets for SDBs



Small Business Goals - ESC

	USG	ESC FY05 Goals %	ESC FY05 Actual %	ESC FY05 Actual \$M	ESC FY06% Goals
Total \$s				\$3,656	
SB	23	12.7	13.80	447	13.10
SDB	5.7	6.1	7.90	247	6.86
WOSB	5	1.6	2.10	66	1.85
HUBZ	3	0.5	0.2	1.09	0.1
SDV	3	0.3	0.1	1.12	0.05



Wrap-up

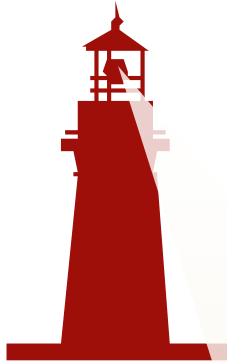
Questions



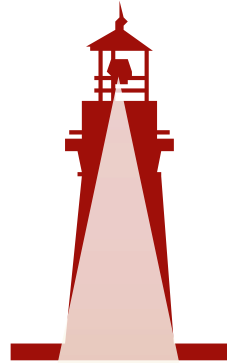
Revenue Growth *Vision to Reality*

For Government Contractors

Gary A. Dunbar, Inc.



Management
System



Winning
Culture



Continuum
Vision



**Growth
Company**

Critical Success Factors of Growth Companies



Management System

- Business development is a managed, structured, and disciplined process



Winning Culture

- Growth leadership creates a culture of growth



Continuum Vision

- The entire business development process is an integrated continuum - not separate steps or responsibilities

Continuum Vision

	Marketing	Prospecting	Positioning	Proposing	Performing
Strategic Objective					
Tactical Objective					
Key Metrics					
Milestones					
Responsibilities					
Standards, Guidelines and Templates					
Time Line					
Business Processes and Procedures					

Management System

- Structured system for tracking and evaluating all opportunities and assessing BD performance
- Business Development is integrated in revenue forecasting approach
- Formal Go/NoGo decision process

Winning culture

- CEO and leadership team personally and intimately involved in BD
- Incentive and recognition system covers all employees and is totally aligned with Revenue Growth Strategy
- Strategic Planning is dynamic and adjusted quarterly

Winning Contracts

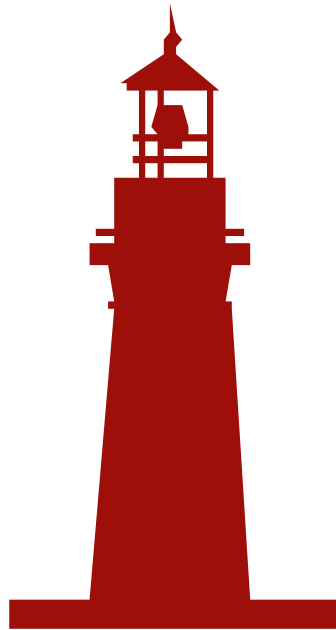
- The current industry-wide proposal training has established a high threshold level of performance for competitive proposals -- it is the standard
- To win, you must have an approach for beating a very good “industry-standard” proposal

Gary A. Dunbar, Inc.

- **\$6 Billion in contract wins**
- **Four corporations - Consistent revenue growth of 20% to 40% per year**
- **Three corporations - Win rate improved 250 percent**
- **Two corporations - \$Billion plus contract wins**
- **CEO of three corporations**
- **COO of two corporations**
- **Former Member of the Board - six corporations**

Phone 978 771 6269

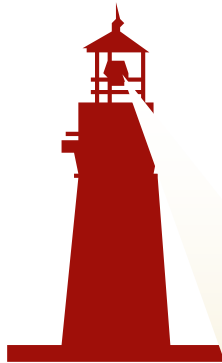
Email - gd@garydunbar.com



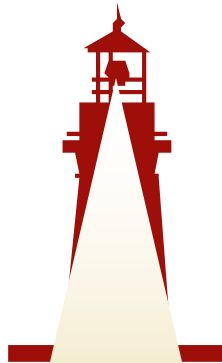
Revenue Growth *Vision to Reality*

For Government Contractors

Gary A. Dunbar, Inc.



Managemer
System



V g



Continuum
Vision



Growth
Company

Critical Success Factors of Growth Companies



Management System

- Business development is a managed, structured, and disciplined process



Winning Culture

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Continuum Vision

- The entire business development process is an integrated continuum - not separate steps or responsibilities

Continuum Vision

- Marketing
- Prospecting
- Positioning
- Proposing
- Performing

Management System

- Structured system for tracking and evaluating all opportunities and assessing BD performance
- Revenue growth integrated in revenue forecasting approach
- Formal Go/NoGo decision process

Winning culture

- CEO and leadership team personally and intimately involved in BD
- Incentive and recognition system covers all employees and is totally aligned with Revenue Growth Strategy
- Strategic Planning is dynamic and adjusted quarterly

Winning Contracts

- The “Shipley” training has established the threshold level of performance for competitive proposals -- it is the standard
- To win, you must have an approach for beating a very good “Shipley” proposal

Gary A. Dunbar, Inc.

- \$6 Billion in contract wins
- Consistent revenue growth of 20% to 40% per year
- Revenue increased 3 to 5 times
- Win rate improved 250 percent
- CEO of three corporations
- COO of two corporations
- Member of the Board - six Corporations

Phone 978 771 6269

Email - gd@garydunbar.com

Headquarters U.S. Air Force

Integrity - Service - Excellence



NDIA Small Business Conference

9 May 06

Mr. Blaise Durante

***Deputy Assistant Secretary
(Acquisition Integration)***



Top Ten Rules of Life

- 10. Health nuts are going to feel stupid someday lying in hospitals dying of nothing.**
- 9. In the 60's, people took acid to make the world look weird. Now, the world is weird and people take Prozac to make it look normal.**
- 8. The faster you drive through a red light, the smaller the change you have of getting hit (Mass. Driving Rules).**
- 7. If at first you don't succeed, skydiving is not for you.**
- 6. Too many people have delusions of adequacy.**

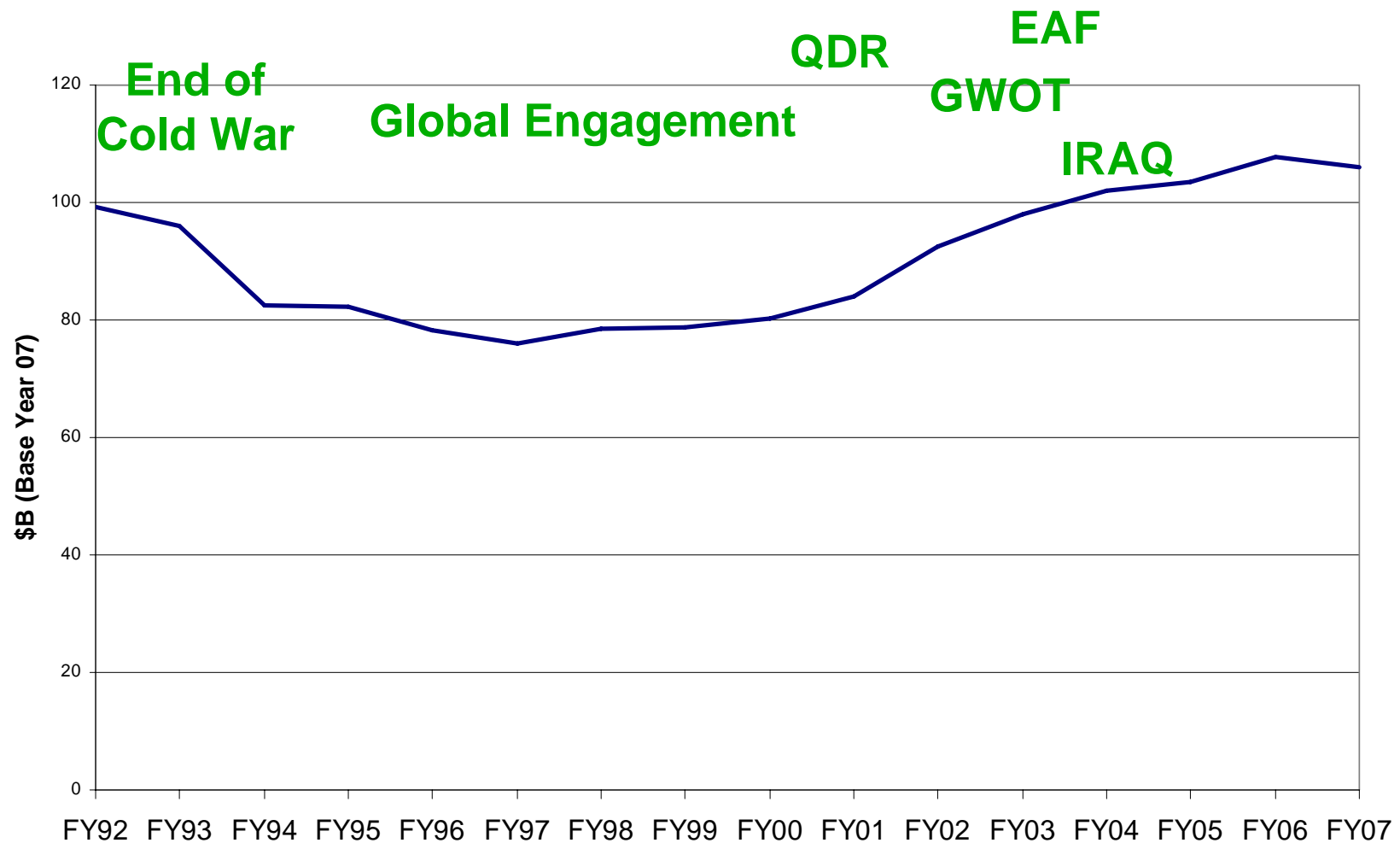


Top Ten Rules of Life

5. **Never drink water because of the disgusting things that fish do in it.**
4. **Those who live by the sword get shot by those who don't.**
3. **There are two kinds of pedestrians --
the quick and the dead.**
2. **If you can smile when things wrong, you have someone in mind to blame.**
1. **Never, under any circumstance, take a sleeping pill and a laxative on the same night.**



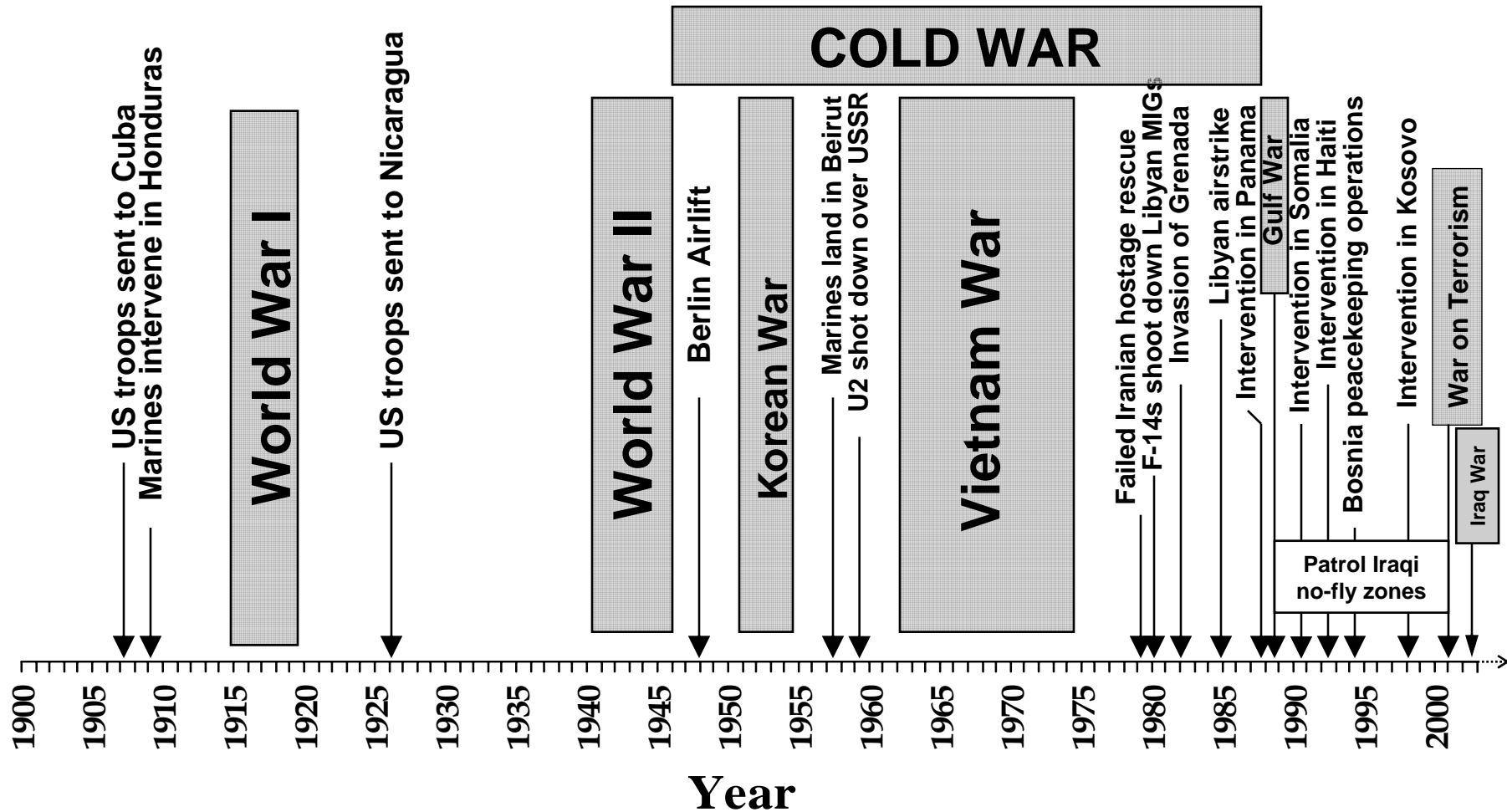
Air Force TOA Summary



Integrity - Service - Excellence



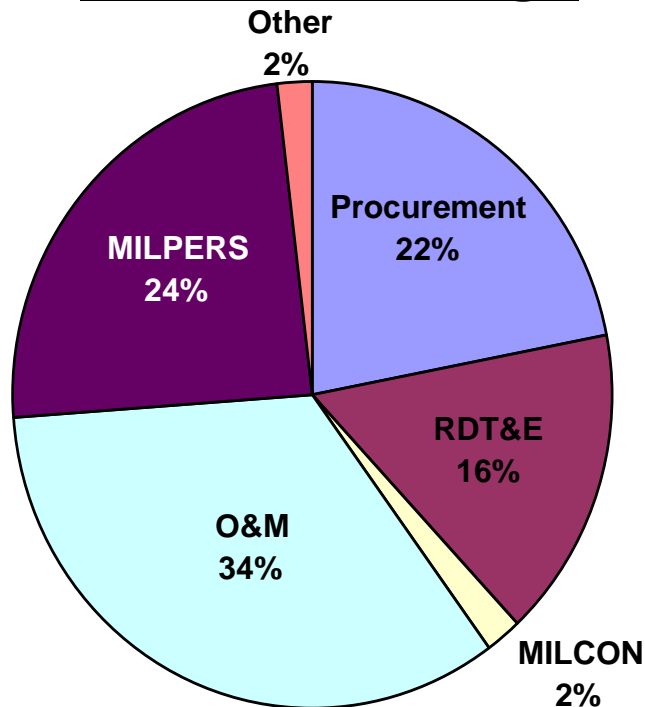
Conflicts with US Involvement Since 1900





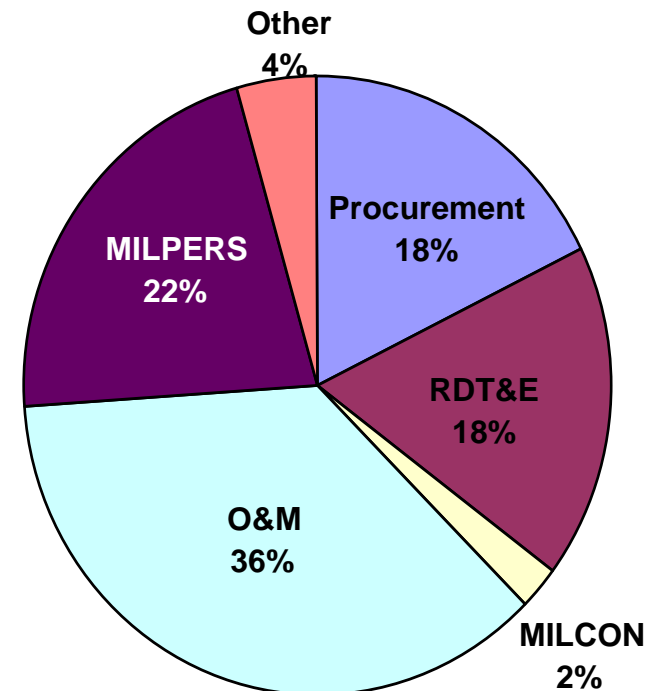
Appropriation Summary 20 Year Average Vs FY00

20 Year Average



\$77.14B (TY)

FY07

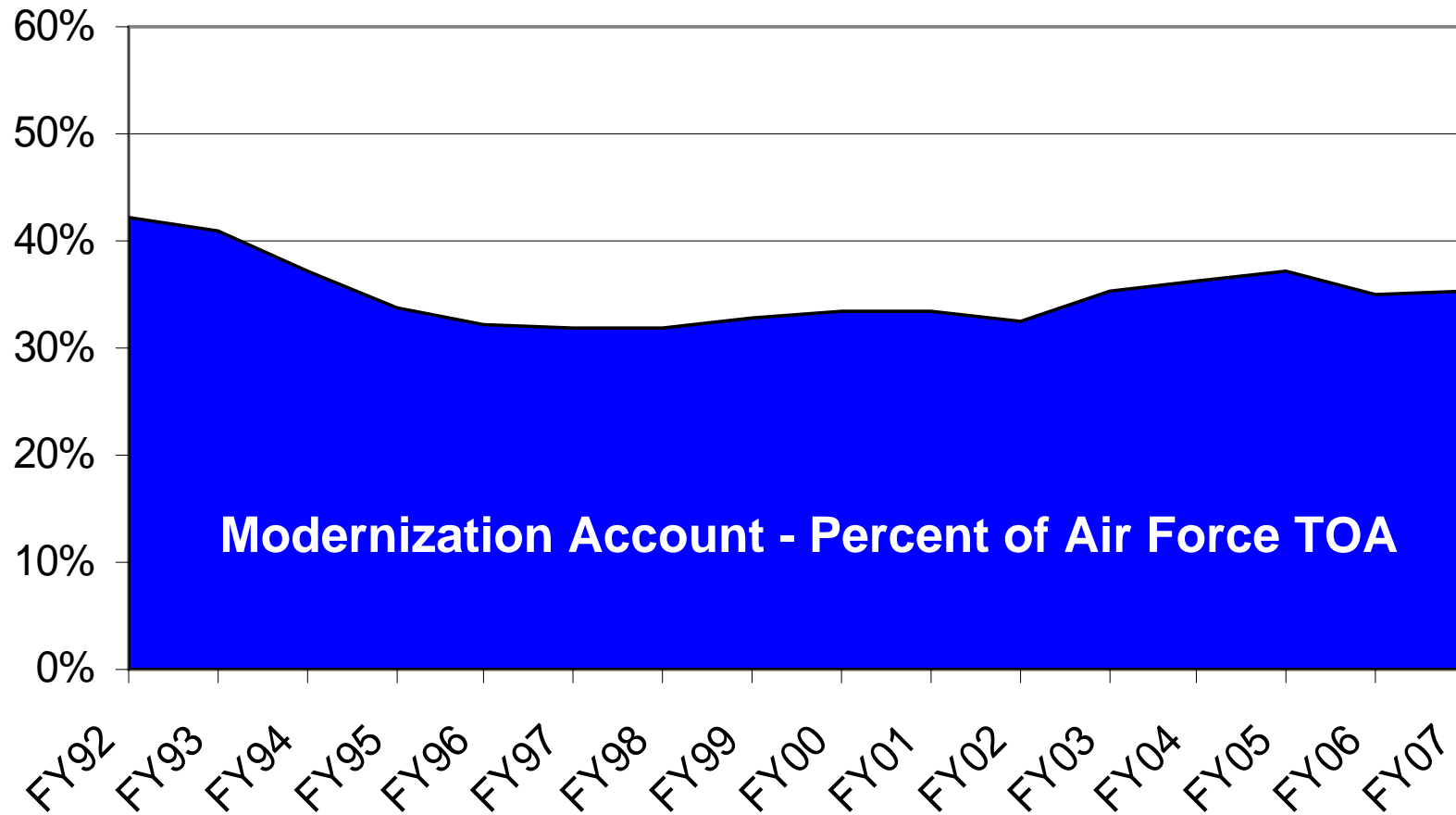


\$105.88B (TY)

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Modernization Account Trends

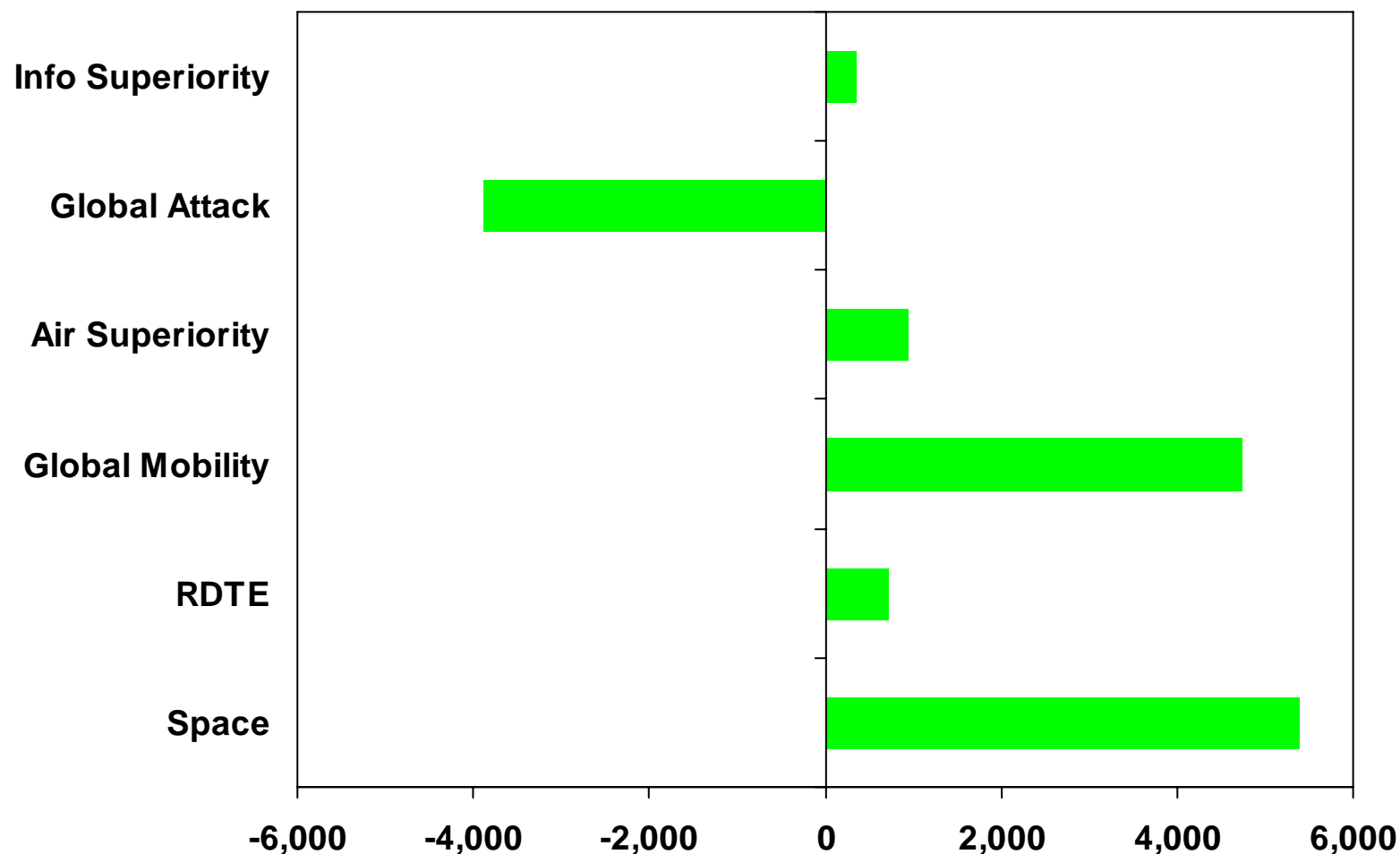


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Largest Modernization Funding Changes

FY06 PB to FY07 PB

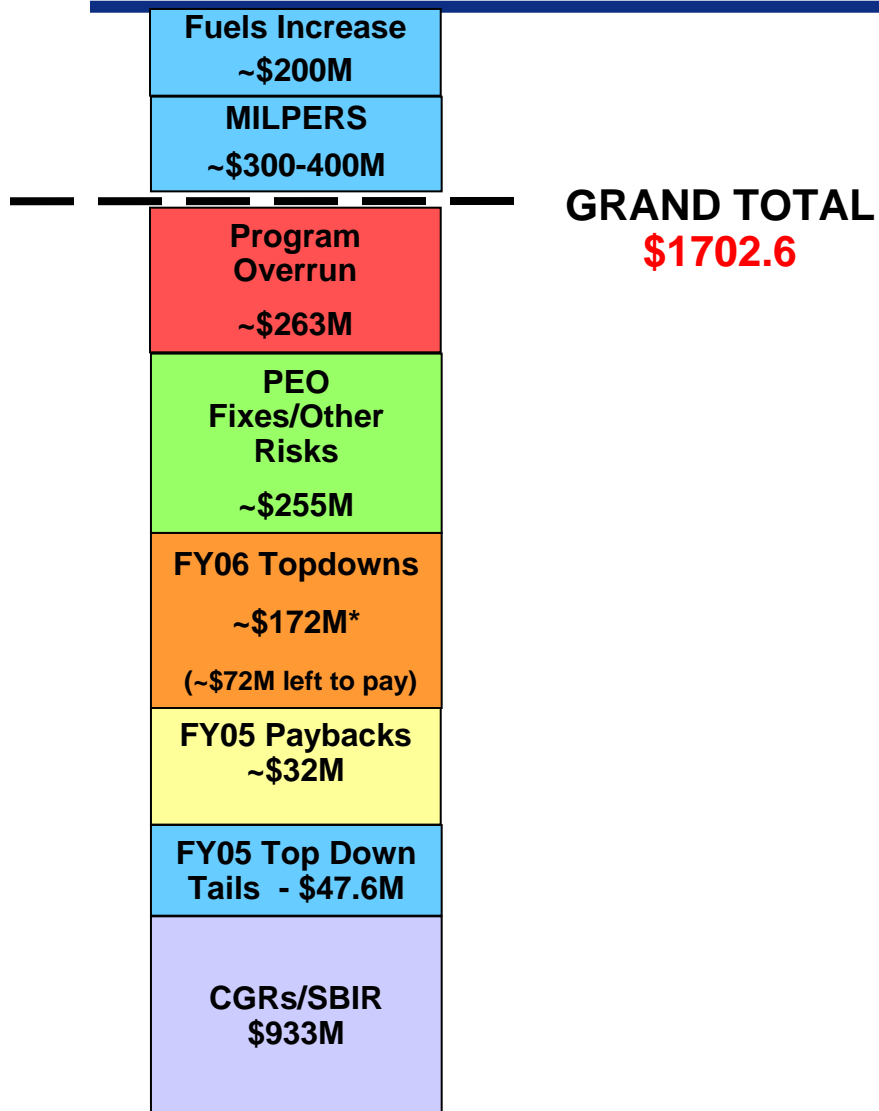


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Outstanding Modernization FY06 Bills

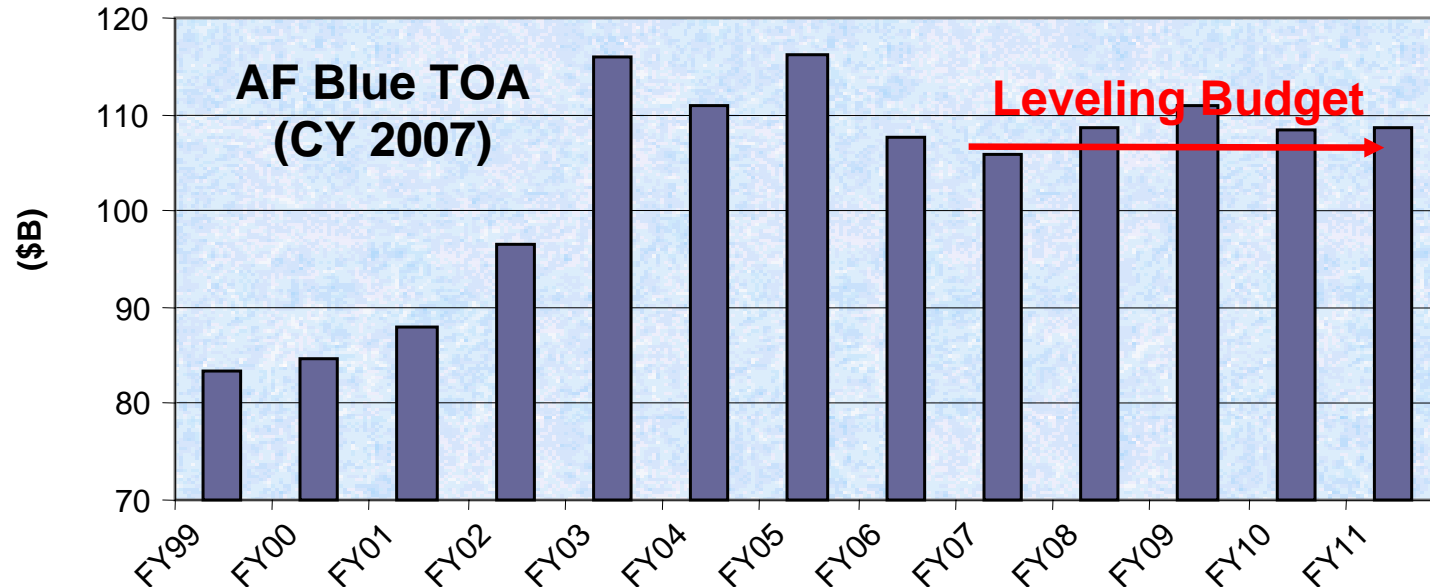
3010/3020/3600 Accounts



- FY06 once again is presenting significant execution year challenges
 - Mandatory Reductions (SBIR, FFRDC, CGR)
 - Tails from FY05 Top-Down Bills
 - Paybacks from FY05 Reductions (MILPERS, O&M)
 - Pending FY06 New/emerging requirements
 - Multiple PEO requested fixes
 - GPS ATR
 - Potential MILPERS bill
- Including CGRs/SBIR, potential for nearly \$2B in bills for investment accounts



Outyear Challenge - Budget



Reduction results in:

- Force Structure - Reorganization - Changing Way We Do Business

Air Force buying power is leveling off while “must pay” costs continue to grow... Transformation is a must to modernize

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Challenge - Recapitalization



Source: USAF Almanac

Air Force Personnel Strength

Integrity - Service - Excellence



Current Environment - Budget

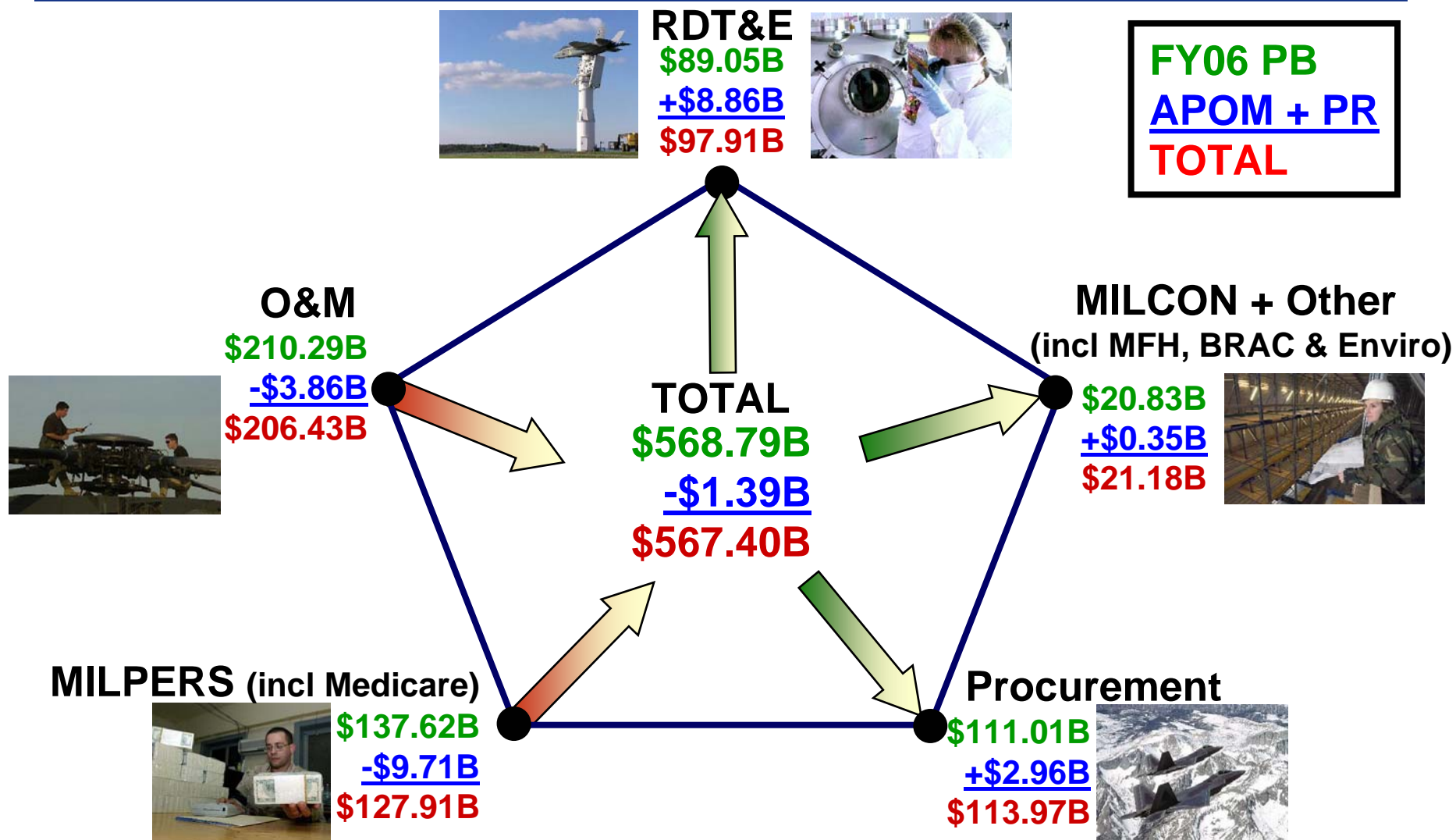
- Era of increasing budgets is over
- Obligations and expenditures increasingly important
- FY07-11 TOA decreased by \$1.4B, major changes within existing top-line
 - Recapitalization of the force - modernization increased by \$11.8B
 - Workforce decreases by \$17.5B in organic, \$6.2B in contractor
 - Reductions in military/organic/contractor workforce
- FY08 POM, expect QDR and BRAC to be a driving force

Although AF Top-Line did not change – priorities did



Where did the money move?

Air Force FY06 PB vs. FY07 PB





Manpower/Program Changes

- **Revitalizing and Recapitalizing the Force is emphasized in the FY07 PB**
 - **\$17.5B in organizational and process efficiencies**
 - 40,000 Organic Manpower reduction (MILPERS)
 - 2,000 Civilian Manpower reduction (CivPay)
 - \$6.2B in Contractor Support reductions (~80% O&M)
 - **\$4.1B in divestiture of legacy platforms**
 - Retirements of C-21, F-117, U-2 and B-52 (mostly O&M / mods)
 - Cancel B-52 Stand-Off Jammer (mostly RDT&E)
 - Cancel F-16 v10 Radar
 - **\$11.6B in Transformation Enhancements**
 - Predator fleet expansion
 - Light Cargo Aircraft start
 - Re-engine / Re-wing A-10, Re-engine E-3 (AWACS) & E-8 (JSTARS)
 - F-22A multi-year procurement



Challenge - AF Transformation

Organizational / Process Efficiencies

- **Organic Manpower reduction**
 - Centrally managed by AF throughout FY08 POM
 - Specific content to be worked throughout FY08 POM
- **Contractor Support reduction**
 - Estimated \$6.2B of savings in FY07-11 (PBD 720)
 - \$250M FY06 removed from contract services support
 - Starting point for this transformation
 - Increased visibility and approval for contract services
 - Reductions must be applied against contract support/
contract services/FFRDCs
 - MAJCOMs have flexibility to realign within their MAJCOM

***Modern management principles to transform to a leaner,
more efficient AF***



Org/Process Efficiencies

- **AF on Down-slope -- Some Knowns / Many Unknowns**
 - 40-60K Organic Cut
 - 25% Support Contractor
 - 25% FFRDC Cuts
 - Resultant TOA reduction
- **QDR - DAPA - Task Force 720 Impacts Still TBD**
- **AF Has Other Significant Manning Problems to Fix**
 - e.g. Crew Ratios, Stressed AFSCs, etc.

- **Reductions to AF end-strength**
- **Stepped approach from FY06 – FY11 (active):**
 - **Officer** - 6,555
 - **Enlisted** - 26,735
 - **Civilian** - 2,000
 - Total = - 35,290
- **Guard/Reserve** - 22,000



DoD Budget Decisions

**Faced with a 20-year threat
The Gov't responds with a 15 year plan
Programmed in a 6-year POM
Managed by 3-year personnel
Who developed a 2-year budget
Funded by a 1-year appropriation
Formulated over a 3-day weekend
and approved in a 1-hour decision brief**



What is Acquisition Doing?



Acquisition Learning Forward

- **Source Selection re-engineering led by SAF/AQC, ESC/CC**
 - **Reinvigorate training of policies and processes**
 - **Incorporate risk-based approach**
- **Focus award fee as incentive management tool**
 - **Building structures to reward outstanding vs satisfactory performance**
 - **Identifying changes in acquisition policy and training**
 - **Managing contractor fee expectations**
 - **AF/SB exploring award fees tied to successfully meeting small business set aside goal(s)**



Acquisition Learning Forward

- **AQ Risk-based Decision Making methodology being tested**
 - **Prototype at selected programs at each product center Spring/Summer**
 - **Rollout to all programs later this year**
- **AFSO 21, DAPA, and AF21 converging and producing impetus for real change**
- **Sound acquisition principles and policy re-emphasis**



Acquisition Learning Forward

- **Refined Expectation Management Agreements (EMAs) and Course of Actions (COAs) (Put user and developer on same page)**
- **Acquisition Strategy Panel (ASP) and AF Review Board (AFRB) processes are AF senior level review and approval forums**



Acquisition Leaning Forward Acquisition Strategy Panels (ASP)

- **Purpose**: Decides the strategy AF will take in committing significant resources to buy critically needed capabilities through a systematic and disciplined approach
 - Ownership moved from SAF/AQC to SAF/ACE in May '05
 - Do early before:
 - Request for Proposal (RFP) is released
 - AFRB is convened (approval to go on contract for a major milestone)
 - Program Office must work with SAF/ACE to coordinate ASP content and schedule
 - ACAT I - HQ's level panel, chaired by the SAE
 - ACAT II and III - chaired by PEOs
-



Acquisition Leaning Forward ASP Template

- **Qualified Small Business (SB) Sources?**
 - Consideration of SB program set-asides, 8a, SDB, HUBZones
 - Issues of bundled and consolidated procurement efforts?
- **If not as Prime, then subcontract opportunities**
 - Encourage aggressive SB subcontracting
 - In source selection, evaluate a prime contractor's plan
 - Identify proposed SB/SDB subcontracting goals and evaluate offeror's past performance in meeting goals
 - Congressional Comprehensive Subcontracting Plan Test Program—evaluating participants meeting corporate goals

Key element in the ASP Template is to address Small Business Opportunities



Acquisition Leaning Forward Air Force Review Board (AFRB)

- **Purpose:** Newly established AF milestone decision and/or major decision review process to review program prior to major milestone decisions or major decisions (in- or out-of-cycle)
 - Recognized need for structured, consistent and repeatable AF process
 - Ensure documentation (e.g. ADMs)
 - Aid decision-making on critical aspects of selected acquisition programs
 - Comprehensive senior level review → enables credibility restoration in AF acquisition w/in AF, OSD and Congress
- **Who?**
 - SAF/ACE is AFRB process owner, designer and secretariat
 - Required for ACAT IC, ACAT IAC & non-delegated ACAT II programs
 - ACAT ID / IAMs: Single opportunity / meeting for formal corporate AF consensus (pre-DAB w/in AF)
 - Delegated ACAT IIs & ACAT IIIs: AFRB process executed by PEOs
 - Not Included: Services & space



We have an Award Fee Problem

- **Acquisition Finding – Different Goals!!**
 - **Some SPOs – focused AF criteria on successful “technical” achievement**
 - **Congress/OSD – focused on cost/schedule**

 - **Structure and Management Problem Examples**
 - **Sample Structure**

■ Technical	30%
■ Management	30%
■ Logistics	20%
■ Cost “Reporting”	20%
 - **Some SPMs did not want to “lose” the contractor PM**

 - **We will be changing the way we do award fees**
-



Changes to Incentives Structure

- **AT&L and SECAF Policy**

- **Mr Kreig Policy Letter**

- **Focus on meeting/exceeding C/S/P goals**

- Link to Outcomes

- Award Fee Satisfactory Performance earns less

- Appropriate to provide a portion of pool for satisfactory performance to ensure adequate fee for contactor

- Rollovers

- Exception rather than the rule

- Address in ASP

- Only rollover a portion of the fee

- **SECAF Policy Letter**

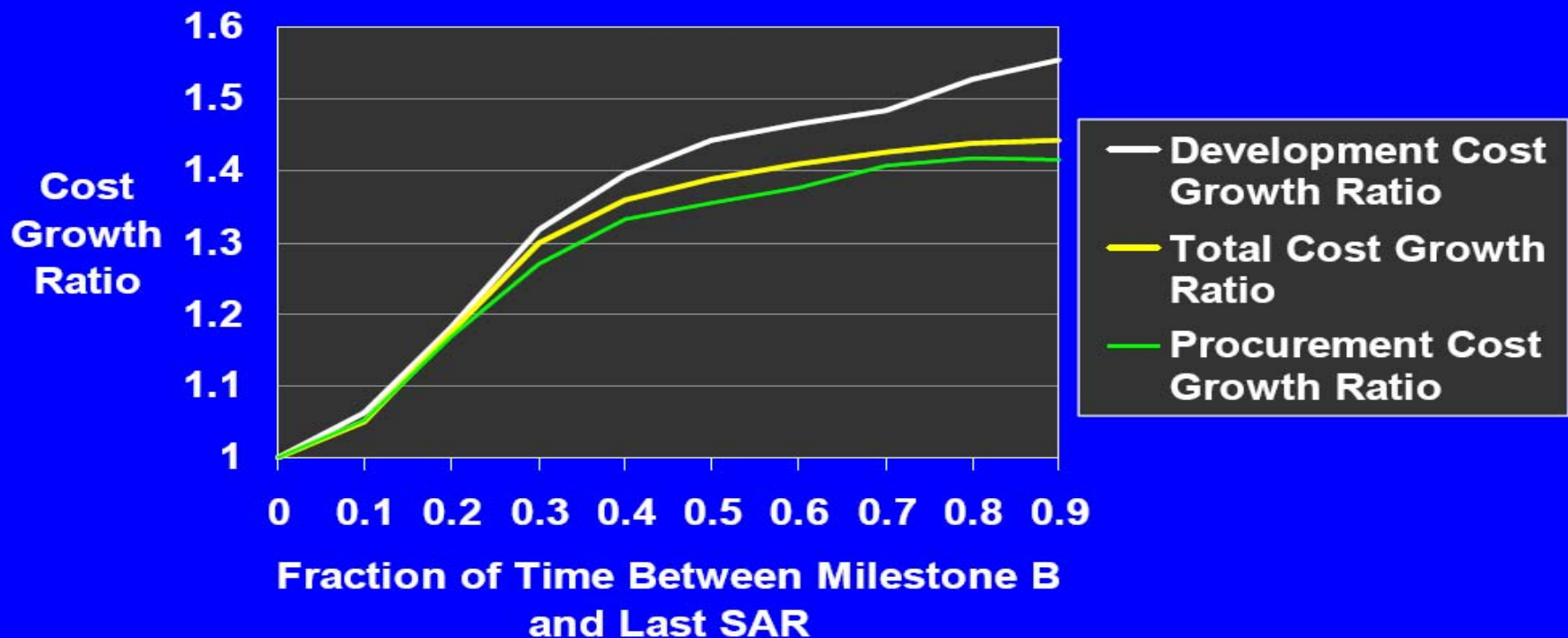
- Cultural shift needed

- Consistency between CPAR and MAR



Rand Cost Growth Study (2006)

Most Cost Growth Occurs Early in Development, Although Increases Continue Until End of Production

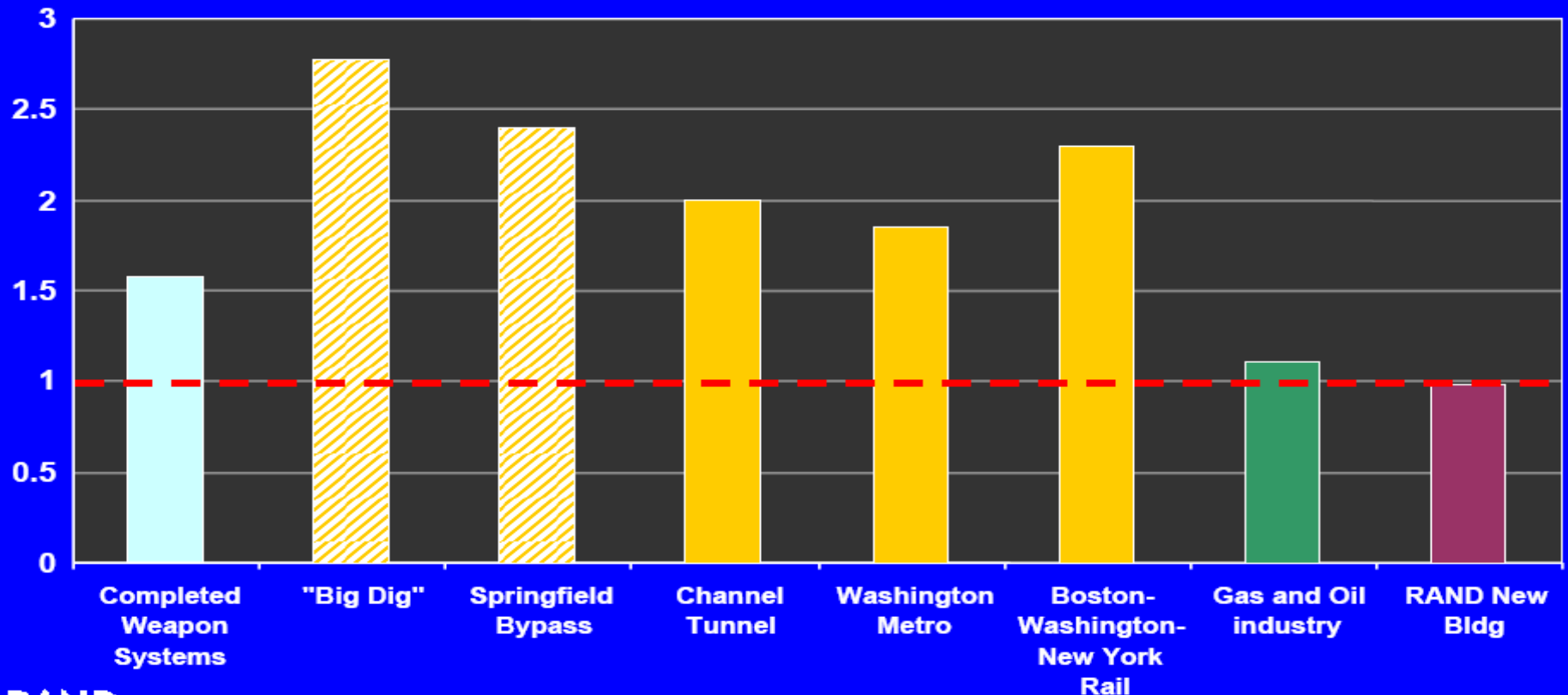




Rand Cost Growth Study (2006)

How Does Weapon System Cost Growth Compare to Civilian Projects?

Cost Growth Ratio

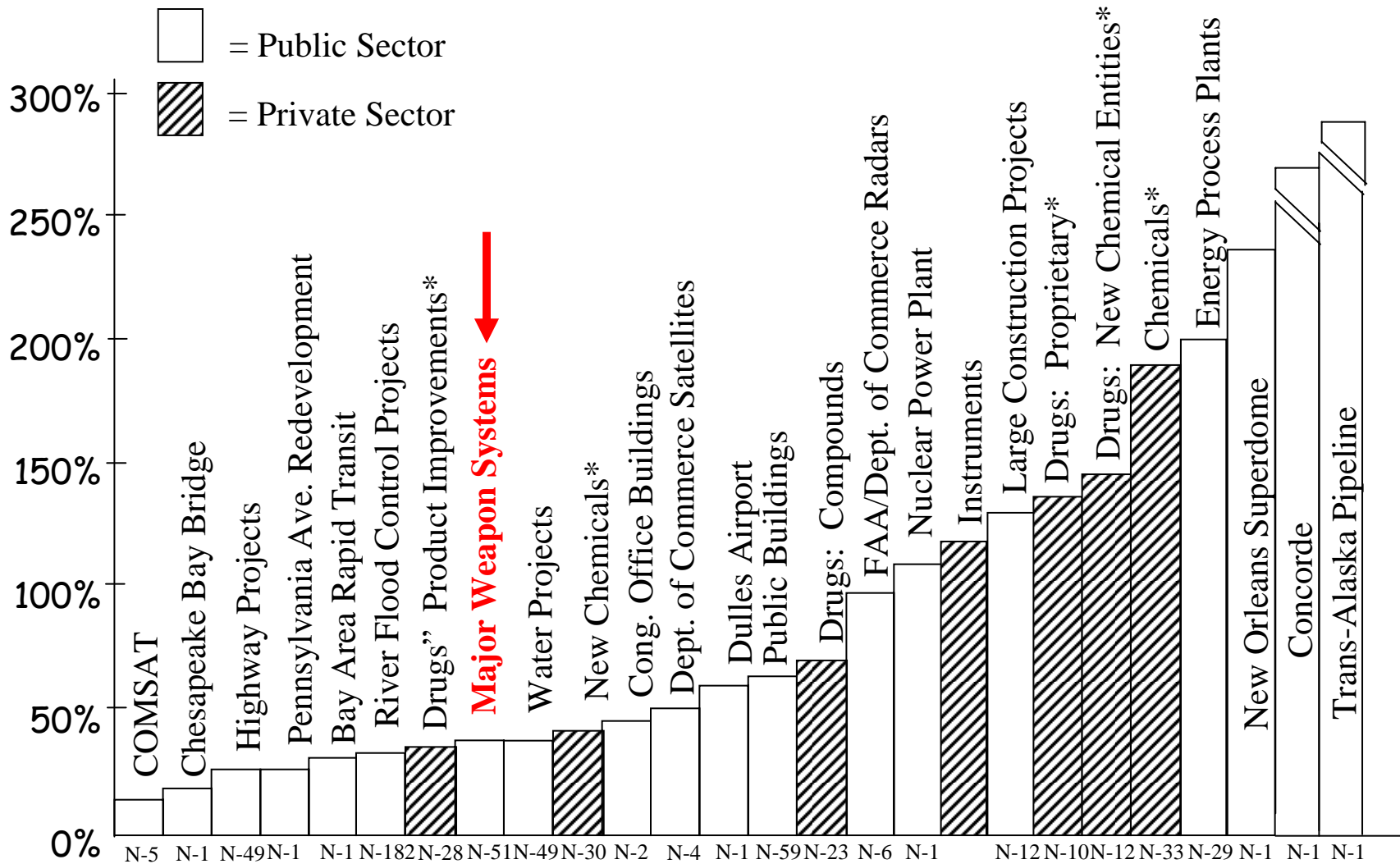


RAND

A6387y-37 11/05



Historical Cost Growth in Major Projects (TASC)



* Development Costs Only

N = Number of Cases Considered

Adjusted for Quantity and Inflation



Close to Home

by John McPherson



At the National Contractor Institute.



Summary

- Current Year funds are limited as a result of:
 - Looming Bills
 - Cost of GWOT
- QDR and AF Transformation will drive FY08 POM
- Weapon system costs rising
- Acquisition is leaning forward

PROCESS FOCUS = BATTLEFIELD SUCCESS !



Ways to get Ahead

**Here's a little mathematical formula that might help you
answer these questions:**

If:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

is represented as:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26



Ways to get Ahead

Then:

- **H-A-R-D-W-O-R-K**
- **$8+1+18+4+23+15+18+11 = 98\%$**

And

- **K-N-O-W-L-E-D-G-E**
- **$11+14+15+23+12+5+4+7+5 = 96\%$**



Ways to get Ahead

But,

- A-T-T-I-T-U-D-E

- $1+20+20+9+20+21+4+5 = 100\%$

And,

- B-U-L-L-S-**-T

- $2+21+12+12+19+8+9+20 = 103\%$

And, look how far a**kissing will take you

- A-**-K-I-S-S-I-N-G

- $1+19+19+11+9+19+19+9+14+7 = 118\%$



Conclusion

So, one can conclude with mathematical certainty that...

**While Hard Work and Knowledge will get you close, and
Attitude will get you there ... it's the Bulls**t and
A**kissing that will put you over the top.**

A large, semi-transparent circular logo in the center of the slide. It has a light blue background with a white five-pointed star in the center. The star has a pink circle at its center. Yellow wings are spread out from the top of the star. The word "QUESTIONS" is written in a bold, dark blue, italicized sans-serif font across the middle of the logo.

QUESTIONS



A Spiritual Experience

“Let’s Start with a Prayer”

***Grant me the peacefulness to accept the things I cannot change,
the courage to change the things I cannot accept
and the wisdom to hide the bodies of those I had to kill today because they ticked
me off.***

***And also, help me to be careful of the toes I step on today
as they may be connected to the ass that I may have to kiss tomorrow.***

Help me to always to give 100% at work...

***12% on Monday
23 % on Tuesday
40% on Wednesday
20% on Thursday
5% on Fridays***

Most people in Washington give 100% at work 10% on Monday 10% on Tuesday 10% on Wednesday 10% on Thursday 10% on Fridays
--

***And help me to remember...
when I’m having a really bad day
and it seems that people are trying to tick me off,
that it takes 42 muscles to frown and
only 4 to extend my middle finger.***



Facer Page

- QDR Report submitted to Congress on 6 Feb 06
 - Many of the major FY07 PB realignments due to QDR
 - Expect QDR to continue to be a driving force for FY08 POM; for example:
 - Solidifying organizational, process, and procedure efficiencies
 - Improving agility and ability to combat asymmetric threats
 - AQX steered the QDR towards AF needs
- BRAC approved by Congress and signed by President on 10 Nov 05
 - BRAC being incorporated into FY08 POM baseline



QDR/BRAC

Quadrennial Defense Review Report



February 6, 2006

This QDR defines two fundamental imperatives for the DoD:

- Continuing to reorient the Department's capabilities and forces to be **more agile** in this time of war, to prepare for wider **asymmetric challenges** and to hedge against uncertainty over the next 20 years.
- Implementing **enterprise-wide** changes to ensure that **organizational structures, processes and procedures** effectively support its strategic direction.

2005 DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION REPORT

*Secretary Rumsfeld was very clear that his primary goal for the BRAC process was **military transformation** ... While acknowledging the **importance of savings** as a BRAC goal, the Commission went beyond a business model analysis of DoD's recommendations and weighed the strategic environment within which recommendations would be implemented and their effect on DoD's transformational goals.*

The results of QDR will generate an AF bill



FY07 & Out Challenge – Change Drivers

- **Defense Acquisition Performance Assessment (DAPA)**
- **Quadrennial Defense Report (QDR)**
- **Task Force 720 (TF720)**
- **Air Force Smart Operations 21 (AFSO 21)**
- **Future Acquisition Team / Acquisition Transformation Action Council (ATAC)**
- **GAO Report on Defense Acquisitions: Major Weapon Systems Continue to Experience Cost and Schedule Problems Under DoD's Revised Policy (GAO-06-368, Apr 06)**

- **Personnel costs increased 51% over last ten years**
- **Proc & RDT&E down from 55% of budget to 35% since 1986**
- **Budget growth is slowing – from approx 10% (FY00-06) to a near flat 3% average in the out years**
- **PBD 720 offset \$22B from 07-11 for OSD and AF bills to include recapitalization**



Challenge – DAPA Implementation

DAPA Report major causes

- **“Government induced instability”**
 - Changing requirements, lack of requirements discipline
 - Programming and budget turbulence
- **Oversight too cumbersome**
- **Risk not adequately measured or considered, leading to missed cost, schedule and performance targets**
- **Transformation drivers**
- **Rewarding wrong behavior**

Lack of basic program management skills/process

Result: Many programs doomed from the start



Facer Page

- **Reduces total contractors across AF**
 - **No contractor area exempt (except CLS previously reduced via legacy force structure reductions)**
- **Two Parts:**
 - **Cuts laid-in database FY07-11 with budget level detail (Investment & O&M appropriations)**
 - **PB-15 Exhibit Data Call (FFRDC and A&AS)**
 - **VCSAF Data Call results (Other Support Ctr)**
 - **MAJCOM to spread FY08 - FY11 O&M portion in FY08 POM**
 - **Budget level detail in FY07 only**

Hide/remove?



Facer Page

- Wanted to make remind you that the Congressional Comprehensive Subcontracting Plan Test Program has been an issue at every SAF/AQ ASP-- raised by Mr. Diamond. Joe's position was that the Corporate Test program done very little to expand opportunities for small business and that it was necessary for the Air Force to "push" contract-by-contract efforts to increase small business work. The rest of the ASP panel members were generally not in agreement. General Hoffman at a January ASP tasked SAF/SB (Joe Diamond), SAF/AQC (Charlie Williams), SAF/ACE (Gen Wolfenbarger) and SAF/GC (Ty Hughes) to work the issue out. As a result of a meeting with all four parties, a partially agreed to position was reached. The ASP Template would be revised to reflect that small business subcontracting will be evaluated as part of source selection and specifically, require all offerors to be evaluated either as to (1) how well they have been doing against their corporate goals (if in the Corporate Test Program), or (2) how well they have been doing against their individual contract goals (if not in the Corporate Test Program). What has not been resolved: (1) Joe Diamond would like to add an additional requirement, to include in Source Selection, how the contract the offeror is bidding on will fit into the overall corporate goal. (2) Charlie William's position is that since it will not be evaluated, it is inappropriate to request this information since the purpose of the corporate test program was to eliminate as much bureaucratic work as possible. Last email from Joe Diamond indicated that he would continue to address his position at future ASPs and would again raise the issue with Mr. Williams.
 - Tony Kausal
-



Cost Estimating

- **Big programs closer to ICE than baseline**
- **In critical and tight budget arena, ICE becomes important**
 - **Programs track to baseline**
 - **Program Managers/rest of corporate DoD ignore ICE**
- **Must start doing Should Cost estimate**
 - **Use common sense**
 - **Many ignore real numbers/use formula**
- **May need Blue Book again**

BURNS & LEVINSON LLP

RIGHTS IN GOVERNMENT INVENTIONS

by Jacob (Jesse) N. Erlich, Esq.

National Defense Industrial Association

National Small Business Conference

Newport, RI

May 8-10, 2006

❖ www.burnslev.com

Key Definitions

- **Invention**
 - Any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code
- **Subject Invention**
 - Any invention of the contractor conceived or first actually reduced to practice in the performance of work under the contract.

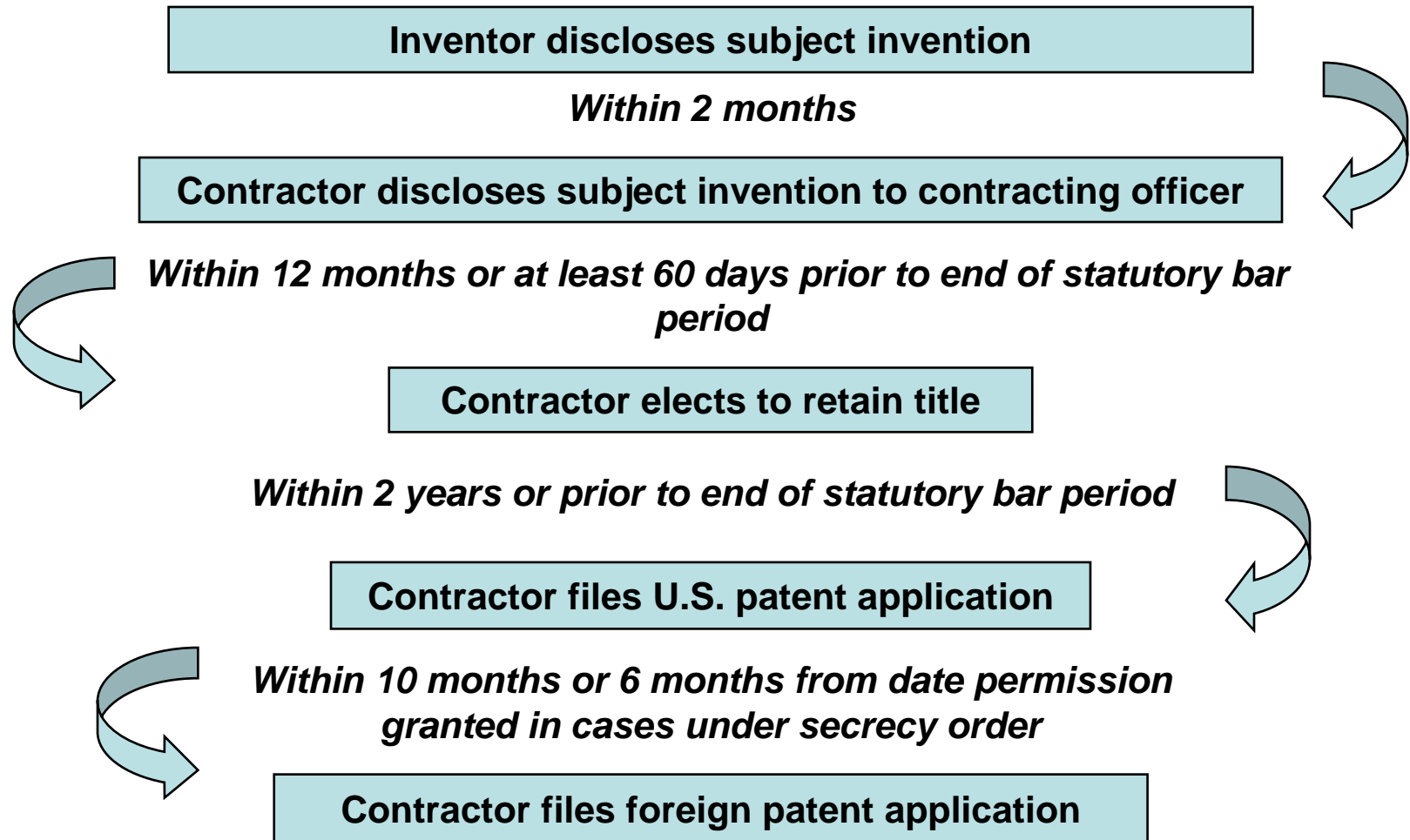
Contractor's Patent Rights Under FAR 52.227-11 and 12

- Contractor may retain the entire right, title, and interest throughout the world to each subject invention. With respect to any subject invention in which the Contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

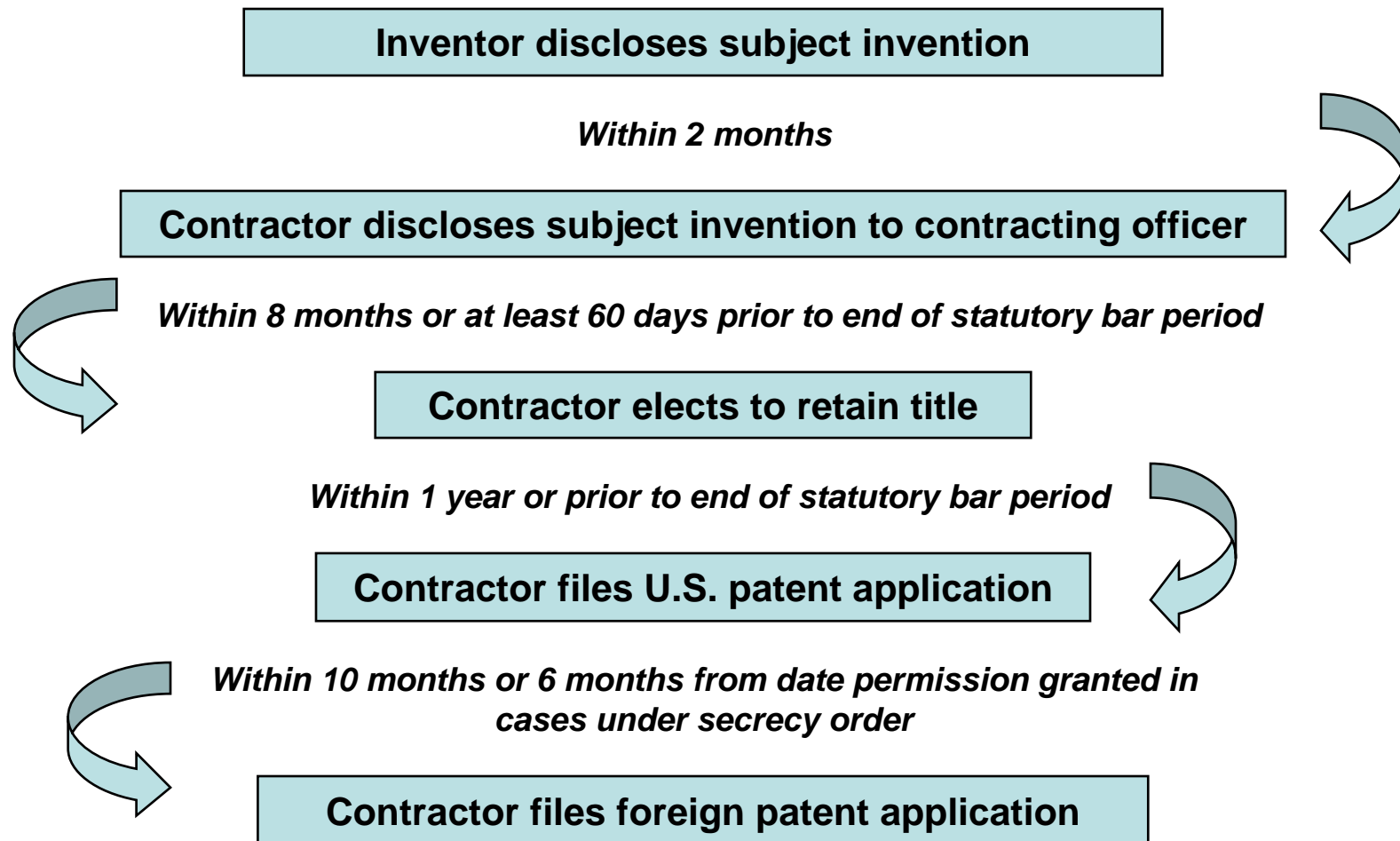
Contractor's Patent Rights Under FAR 52.227-11 and 12

- With respect to any subject invention which the Government takes title, the Contractor shall retain a revocable, nonexclusive, royalty-free license throughout the world, except if the Contractor fails to disclose the subject invention to the Contracting Officer within the specified time
- Contractors license may be revoked or modified to extent necessary to achieve practical application of subject invention - requires written notice - Contractor allowed 30 days to show cause why license should not be revoked

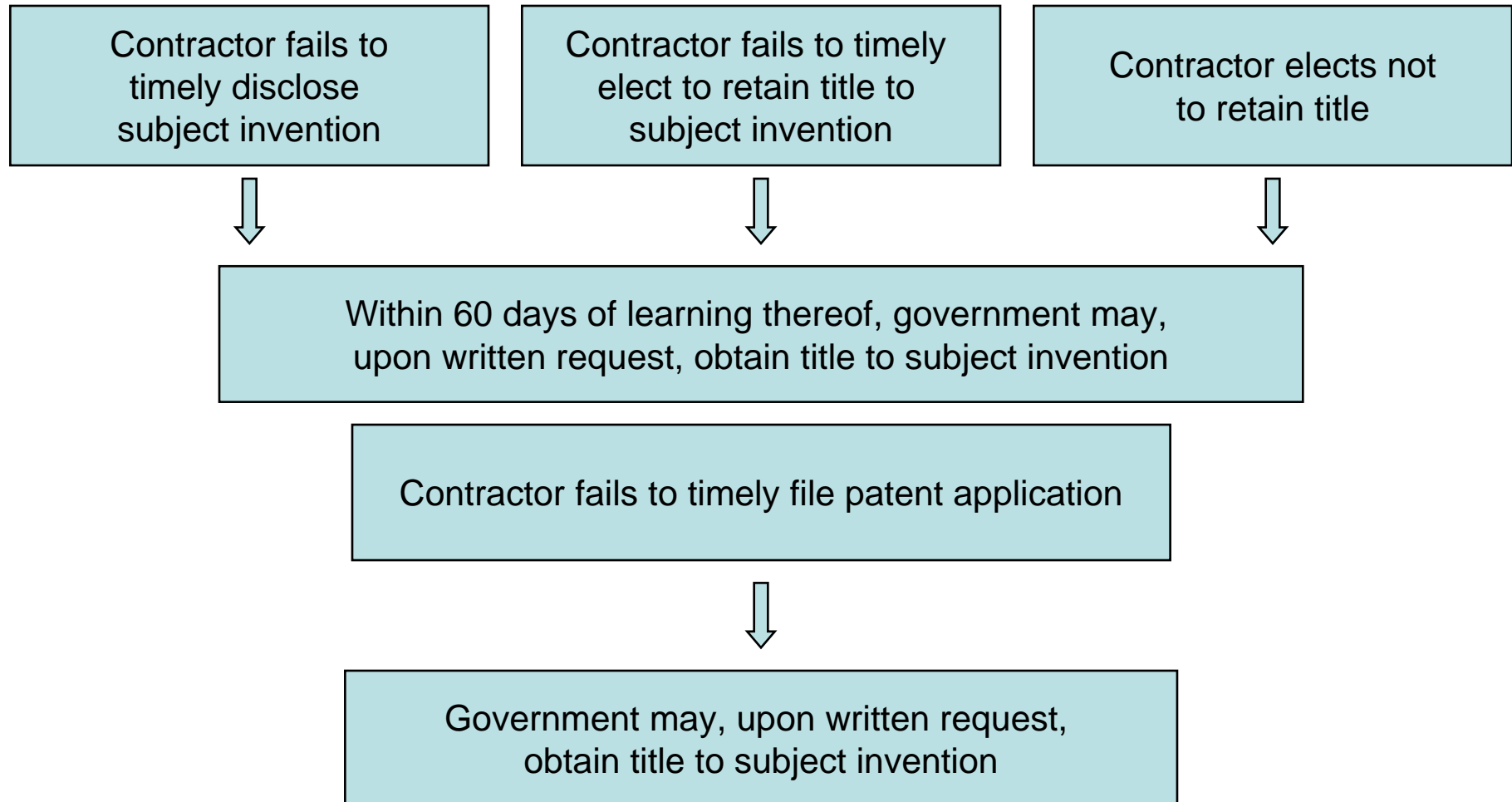
Timeline - FAR 52.227-11



Timeline - FAR 52.227-12



What If ?



Contractor Must Take Following Action To Protect Government's Interest

- Execute or have executed all instruments necessary for Government to obtain title or obtain patent protection
- Require, by written agreement, its technical employees to disclose promptly in writing all subject inventions
- Notify Federal agency of any decision not to continue patent prosecution, pay maintenance fees, or defend reexamination 30 days prior to expiration of response period
- Include within specification of U.S. patent application on subject invention the following statement: “This invention was made with Government support under (identify contract) awarded by (identify Federal agency). The Government has certain rights in this invention.”

Contractor Must Take Following Action To Protect Government's Interest

- Contractor shall establish and maintain active and effective procedures to assure inventions identified and disclosed (6 months of conception or actual reduction of practice)
- Submit appropriate reports

Subcontracts

- Subcontractor shall retain all rights as if subcontractor were contractor
- Contractor shall not, as part of consideration for awarding subcontract, obtain rights in subcontractor's inventions

Preference for U.S. Industry

- Contractor agrees that neither it, nor any assignee, will grant any person exclusive right to use or sell subject invention unless such person agrees to manufacture substantially in U.S. - waivers may be obtained

March-In Rights

- Federal Agency has right to require contractor, an assignee or exclusive licensee, to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to responsible applicants if:
 - Contractor or assignee has not achieved practical application of invention
 - Health & Safety needs not satisfied by Contractor or assignee
 - Public use specified by public regulations if not satisfied by Contractor or assignee

Withhold Payments

- Contracting Officer may withhold payment until reserve set aside, not exceeding \$50K or 5% of contract, whichever is less if contractor fails to:
 - Establish and maintain effective procedures for identifying and disclosing subject inventions
 - Disclose subject inventions to Government in specified time
 - Deliver acceptable reports
 - Provide information regarding subcontractors

The Raytheon logo is located in the top right corner of the slide. It consists of the word "Raytheon" in a bold, orange, sans-serif font.

Customer Success Is Our Mission

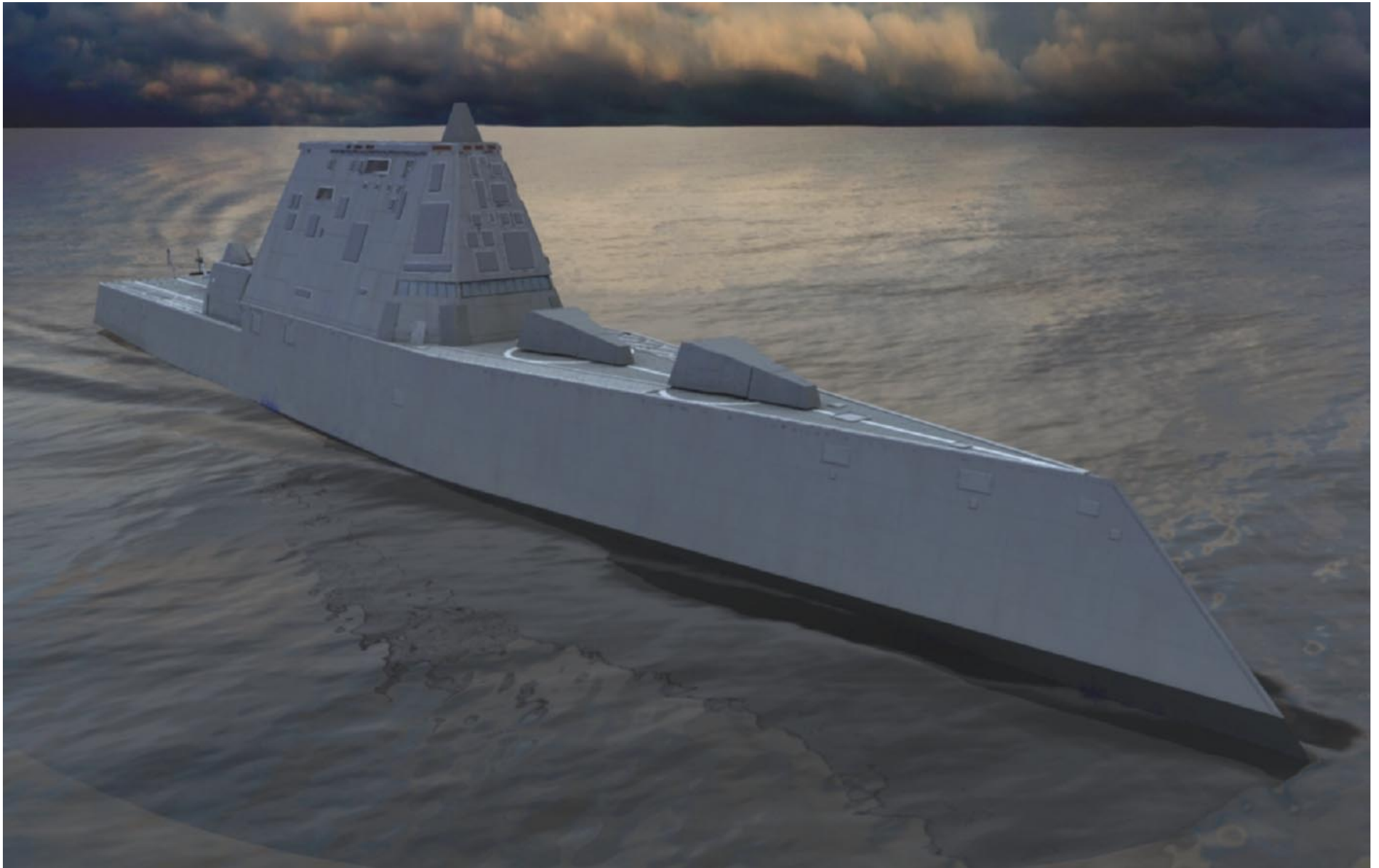
DDG 1000 Supplier Programs

Michael Hoeffler

May 9, 2006

DDG 1000

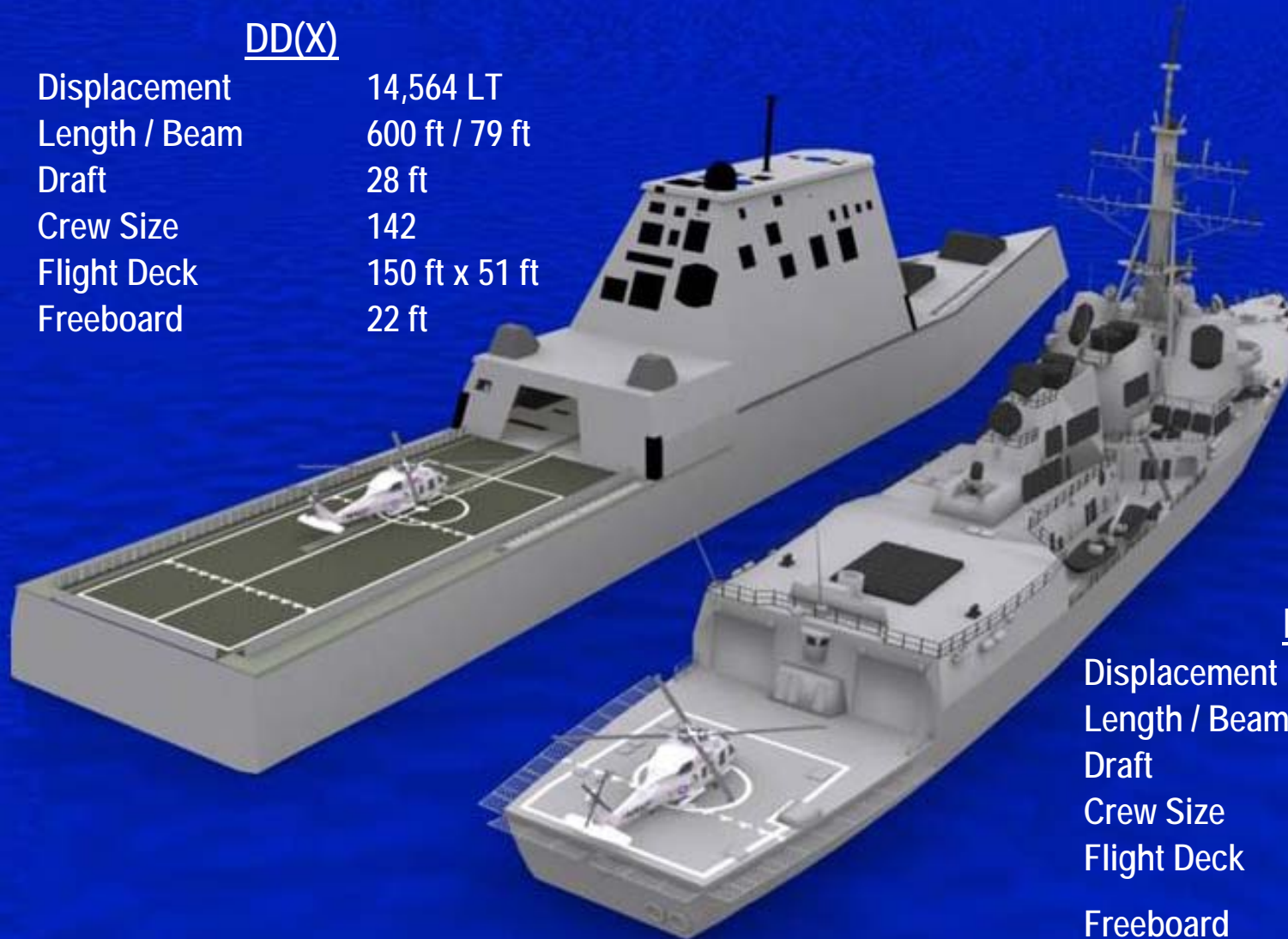
Raytheon
Integrated Defense Systems



DD(X) / DDG-51 Flight IIA Comparison

DD(X)

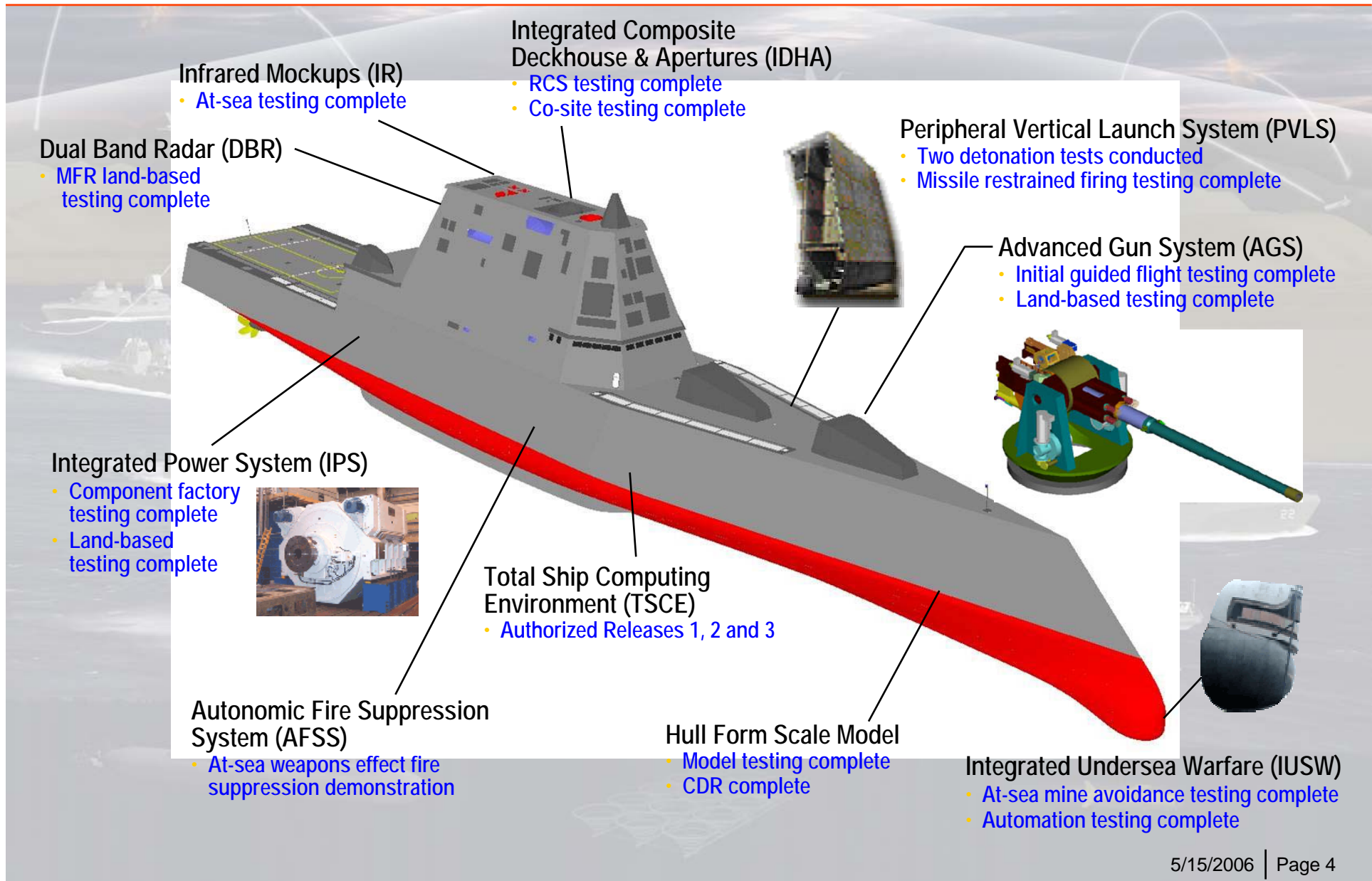
Displacement	14,564 LT
Length / Beam	600 ft / 79 ft
Draft	28 ft
Crew Size	142
Flight Deck	150 ft x 51 ft
Freeboard	22 ft



DDG-79

Displacement	9,217 LT
Length / Beam	509 ft / 67 ft
Draft	31 ft
Crew Size	382
Flight Deck	71 ft x 57 ft (fwd) 44 ft (aft)
Freeboard	
at hanger	13 ft
at transom	16 ft

DD(X) Engineering Development Models



Small Business Initiatives



<u>Category</u>	<u>FY2005</u>
Small	\$ 222.2M
Small Veteran	\$ 34.7M
Small Disadvantaged	\$ 29.9M
Small Woman Owned	\$ 26.9M
Small HUB-Zone	\$ 11.5M
Small S/D Vet	\$ 3.0M

Raytheon Mentor / Protégé Program

- Work with protégé companies to expand their business infrastructure, capabilities, and base.
- Currently 9 active agreements
 - 5 Nunn / Perry, Mentor / Protégé award winners in current agreements
- Banneker Industries & IDS 2005 Nunn/Perry award winner
 - FY 2005 over \$3M dollars worth of commitments from IDS
- Contact Ed Bogacz
 - Visit Raytheon booth at the Trade Fair
 - Telephone - 978-470- 7199
 - edward_a_bogacz@raytheon.com

Small Business Innovative Research SBIR

- Program commissioned by Congress in 1982 to foster the infusion of new technologies into the US economy by small businesses
- Approximately \$2B of DoD Budget allocated to the SBIRs
- Raytheon support in FY 2005
 - SBIR endorsements (Phase 1 – 3) of > \$20M
 - Sponsored > 50 SBIR initiatives
- Contact:
 - Lani Loell
Telephone - 401.842.5106
Lani_Loell@raytheon.com



What Strategic Buyers Look for When Acquiring Small Businesses

PREPARED FOR

NDIA 2006 National Small Business Conference

May 8-10, 2006



DFI Corporate Services is a strategic management consultancy offering solutions to clients in industries where business, government and technology intersect

Candidate Screening, Due Diligence, M&A Advisory Services: Select Activities

<p>\$110 Million</p> <p> ARMOR HOLDINGS, INC.</p> <p></p> <p>Strategic and financial Due Diligence of Simula Inc. Acquisition closed following DFI validation</p>	<p>\$755 Million</p> <p> ARMOR HOLDINGS, INC.</p> <p></p> <p>Strategic and financial Due Diligence of Stewart & Stevenson. Acquisition closed following DFI validation</p>	<p>Undisclosed</p> <p> WARBURG PINCUS</p> <p></p> <p>Due diligence of TransDigm, Inc. for Warburg Private Equity Group. Transaction closed following DFI recommendation</p>	<p>Undisclosed</p> <p> The Blackstone Group®</p> <p></p> <p>Strategic and risk-based diligence assessment in support of bid for major regional media firm</p>
<p>\$92 Million</p> <p> ARMOR HOLDINGS, INC.</p> <p></p> <p>Strategic and financial Due Diligence of Specialty Defense. Acquisition closed following DFI validation</p>	<p>Undisclosed</p> <p> formtek</p> <p></p> <p>Lead advisor and co-investor in 2004 acquisition of Formtek from Lockheed Martin</p>	<p>No Go Decision</p> <p> KISTLER aerospace corporation</p> <p></p> <p>Exploratory Diligence on Kistler for large aerospace Prime. Advised against acquisition due to revenue and contractual risk</p>	<p>\$240 Million</p> <p> American Securities LP</p> <p></p> <p>Exploratory Due Diligence of ILC Technologies. Resulted in lower valuation based on DFI review</p>



Agenda

2005 Defense Sector M&A Activity

Prime M&A Strategies

Prime Candidate Screening Processes

Due Diligence

Valuations

Trends for 2006 and Beyond

2005 was another extraordinarily active M&A year in the Defense and Homeland Security sectors, dominated by acquisitions of IT and intelligence companies

2005 Defense Sector M&A Activity

- **\$38B in defense-related deals in 2005**

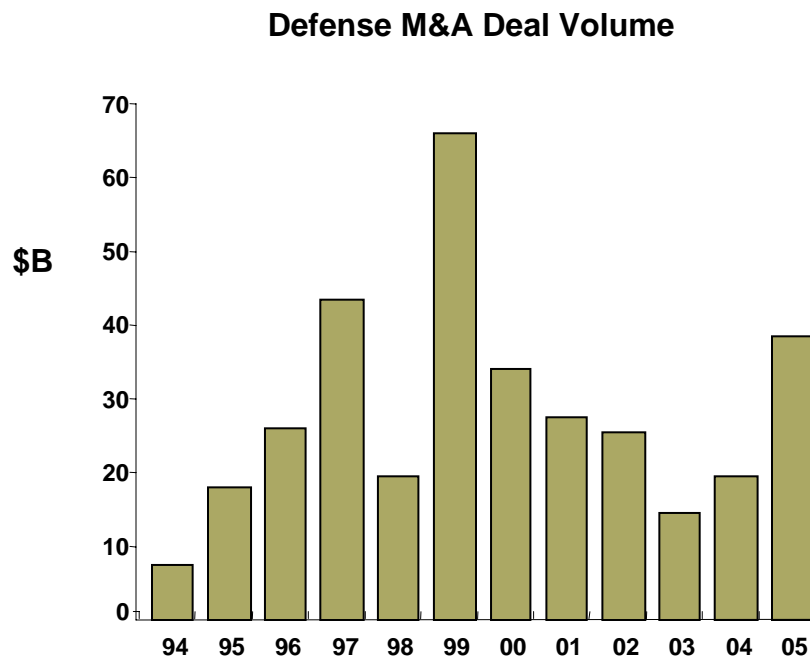
- Largest volume since \$65B boom in 1999
- Nearly on par with 1997 in terms of total value, despite McDonnell-Douglas & Boeing and Hughes & Raytheon
- BAE's \$4.2B buy of United Defense and GD's \$2.2B bid for Anteon dominated the news in 2005

- **IT was the predominant focus**

- Primes see IT as a hedge against budget downturn
- Not a stretch from defense systems; translatable between customer sets

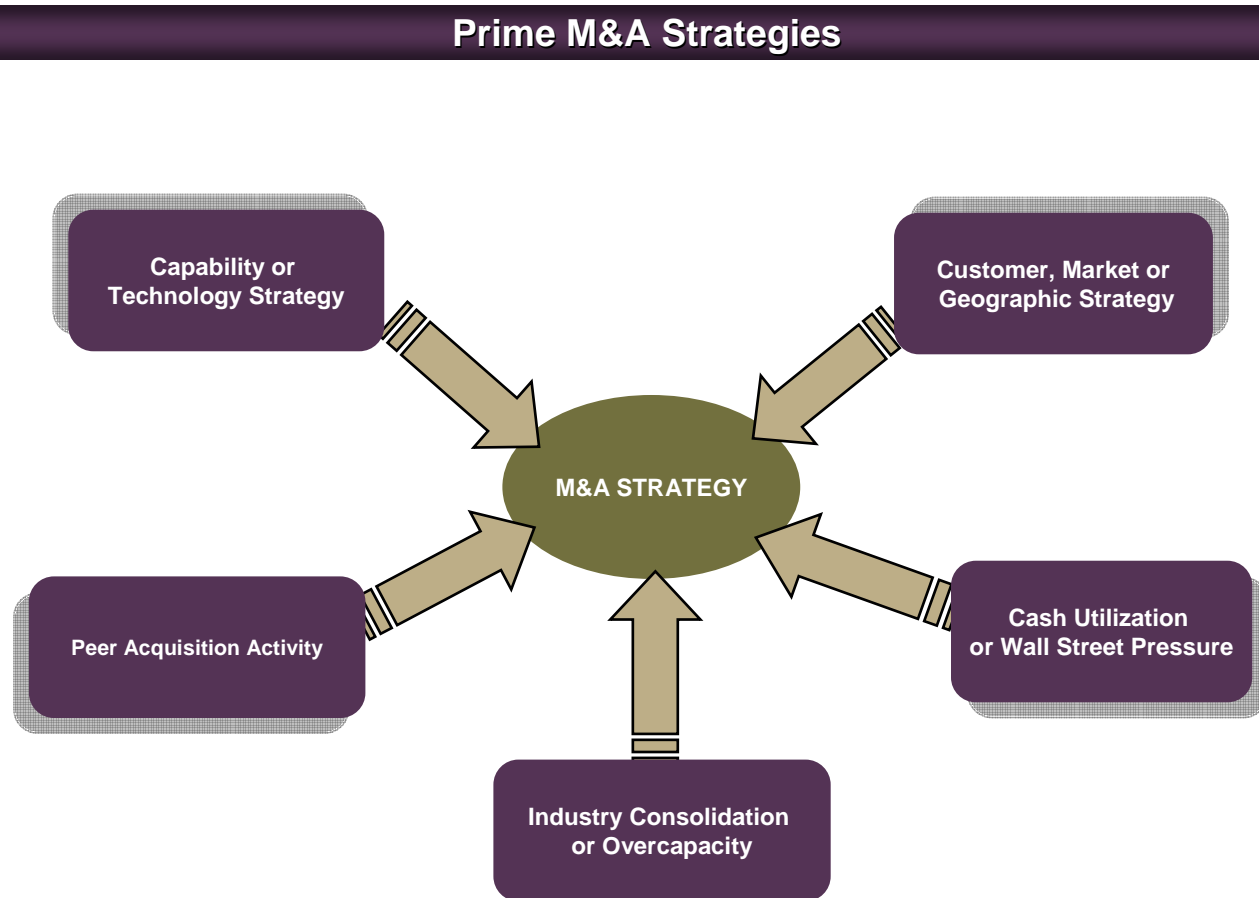
- **Small firms with strong IC relationships or data mining technology were also hot targets in 2006**

- ManTech's \$100M acquisition of Gray Hawk Systems
- Choicepoint's \$90M purchase of i2
- L3/Titan's \$42M buy of Intelligence Data Systems
- Raytheon's purchase of UTD Inc.



Source: Infobase DM&A articles and DFI observations

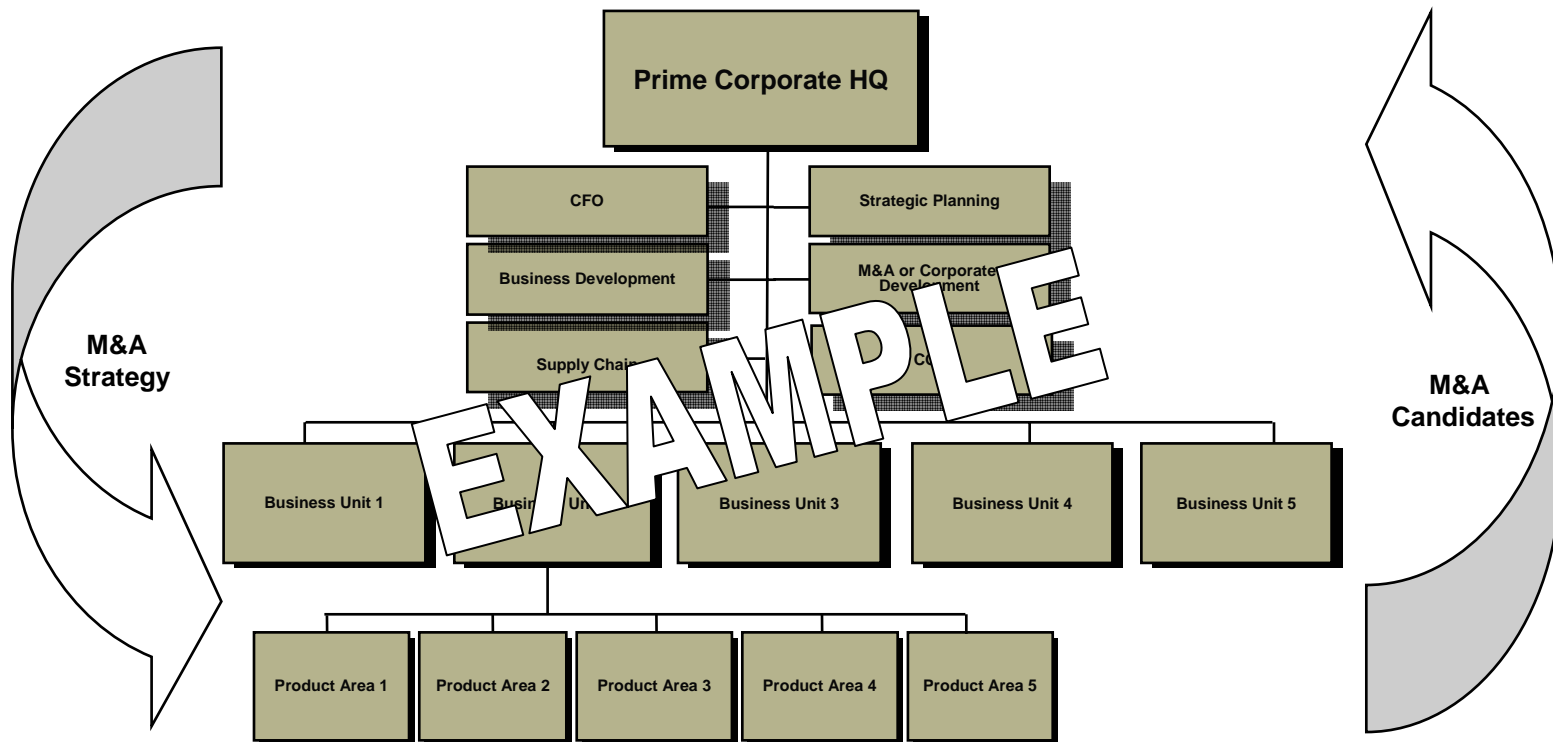
Five factors generally drive a Prime's high-level M&A strategy



Example M&A strategy: *Aggressive entry into Chem/Bio detection through fold-in acquisitions of leading CBRNE R&D firms in the \$50-\$100M revenue range*

The M&A strategy tends to flow down to operating units, who try to execute the strategy and identify acquisition candidates

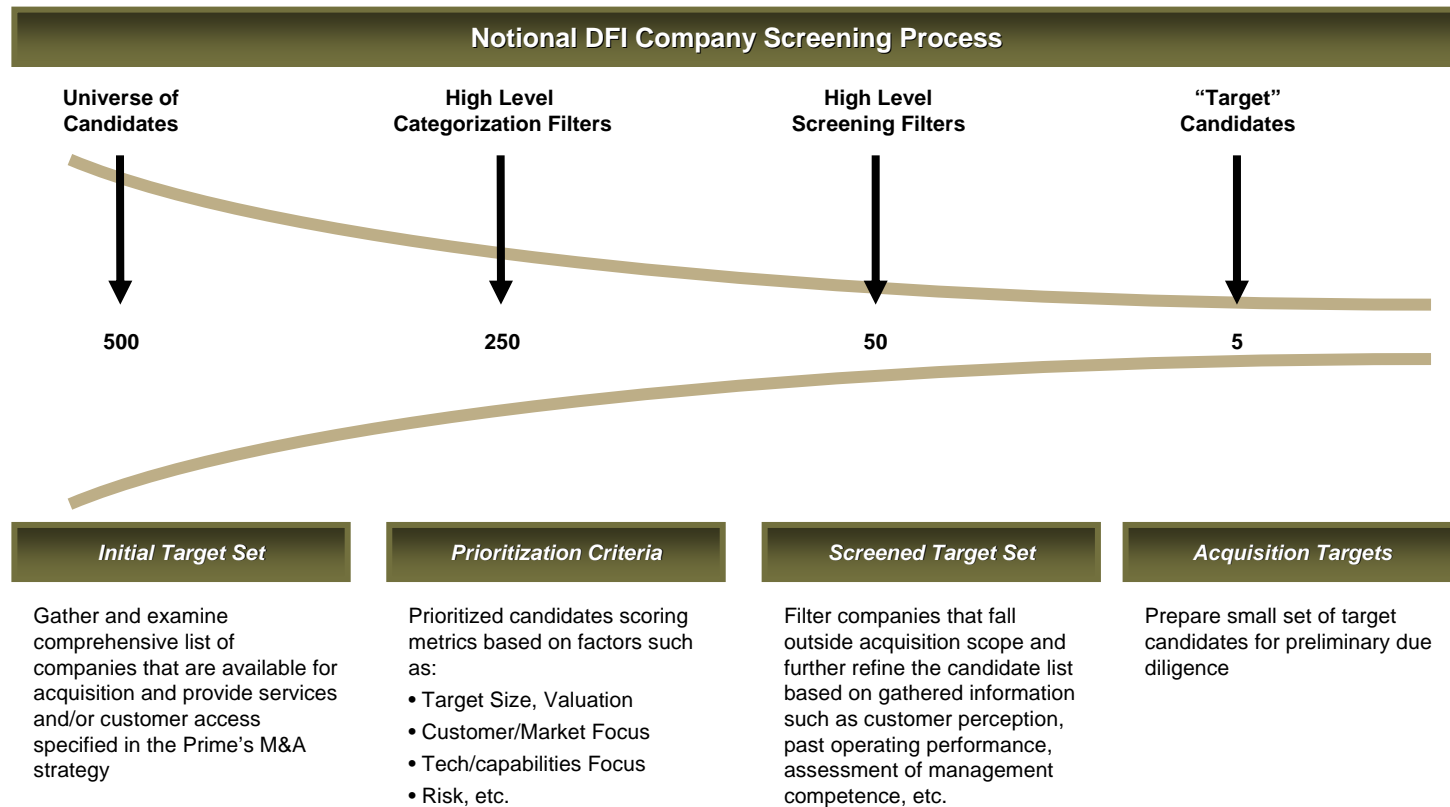
Prime M&A Strategies



Primes (both corporate and business units) will also engage banks or consulting firms to find and screen potential acquisitions

Primes will often take a tiered and systematic approach to selecting companies for further scrutiny from the large universe of acquisition candidates

M&A Candidate Screening



Primes will also find candidates through teaming, subcontracting, competitions or personal relationships ... these candidates usually bypass the screening

Primes will deep dive on select candidates by mining information obtained through the press, subscription databases, trade journals and industry contacts

M&A Candidate Screening

CORPTECH®

My Hoover's
Keeping track so you don't have to.

WATCH LIST

Apple Computer, Inc. has been updated.

Add Folder

Company or Folder	Significant Developments	E-Mail Alerts
<input type="checkbox"/> D&B + Hoover		
<input type="checkbox"/> General Electric Company		Developments: ON Items: OFF
<input type="checkbox"/> Apple Computer, Inc.		Developments: Add Items: Add
<input type="checkbox"/> Austin Coca-Cola Bottling Company		Developments: Add Items: Add
<input type="checkbox"/> H. E. Butt Grocery Company		Developments: Add Items: Add
<input type="checkbox"/> Nissan Motor Co., Ltd.		Developments: Add Items: Add
<input type="checkbox"/> Outback Steakhouse, Inc.	Top Executive Change 08 Mar 2005	Developments: Add Items: Add
<input type="checkbox"/> SEARCHKEY, Inc.		Developments: ON Items: Add

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SAVED SEARCHES

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E-MAIL ALERTS

Stay in the know just by checking e-mail with alerts delivered directly to your in-box.

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Significant Developments Alerts
Track major activity from Hoover's in-depth records for the businesses on your Watch List. Changes may not happen every day, but when they do you will be among the first to know.

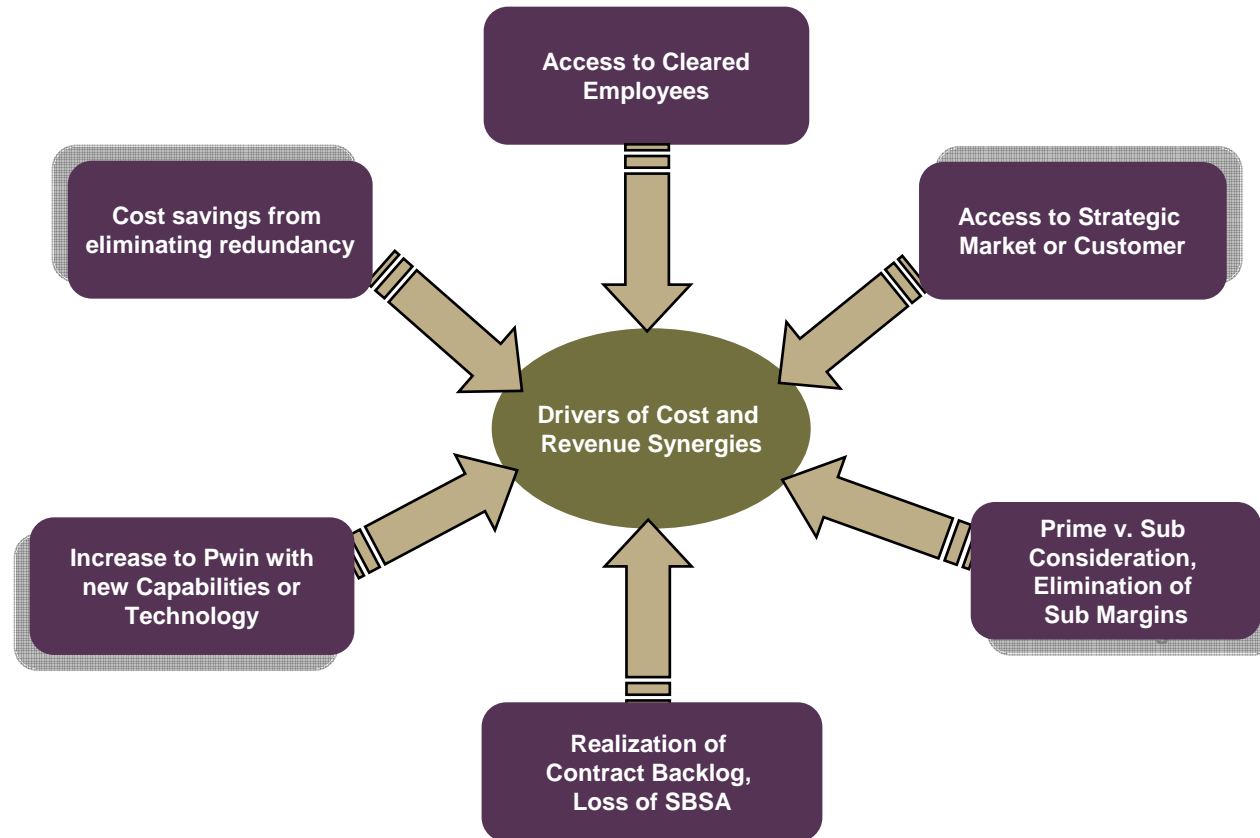
News Alerts
[Get breaking reports and press releases](#)



Primes will use the data they can gather to estimate what they cannot; they will notify Seller or Seller's bank of Intent when ready to enter into Due Diligence

In Exploratory Diligence, Primes will use consultants and in-house expertise to verify Information Memorandum data and focus on strategic/financial synergies

Exploratory Due Diligence



Primes typically draw up an “Investment Thesis” that focuses on strategic fit and value and is used for executive level and/or Board level decision-making

In Formal Diligence, Primes follow a relatively standard process and/or checklist to verify financial, organizational, legal and customer assumptions

Formal Due Diligence

A. Organization and Good Standing

- ☐ The Company's Articles of Incorporation, and all amendments thereto.
- ☐ The Company's Bylaws, and all amendments thereto.
- ☐ The Company's minute book, including all minutes and resolutions of shareholders, directors, executive committees, other governing groups.
- ☐ The Company's organizational chart.
- ☐ The Company's list of shareholders and number of shares held by each.
- ☐ Copies of agreements relating to options, voting trusts, warrants, puts, calls, subscription, convertible securities.
- ☐ A Certificate of Good Standing from the Secretary of State of the state where the Company is incorporated.
- ☐ Copies of active status reports in the state of incorporation for the last three years.
- ☐ A list of all states where the Company is authorized to do business and annual reports for the last three years.

B. Financial Information

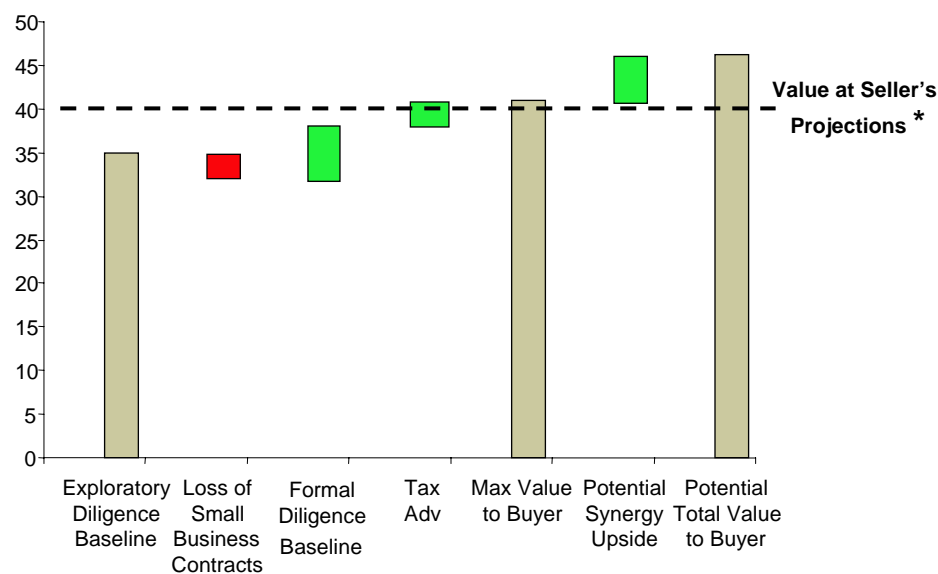
- ☐ Audited financial statements for the last three years, together with the auditor's Reports.
- ☐ The most recent unaudited statements with comparable statements to the prior year.
- ☐ The Company's credit report, if available.
- ☐ Any projections, capital budgets and strategic plans.
- ☐ A schedule of all indebtedness and contingent liabilities.
- ☐ A schedule of inventory.
- ☐ A schedule of accounts receivable.
- ☐ Etc.

Primes will send in a team of “Functional Captains” to explore and report on their respective sections of the Due Diligence checklist

Primes use standard valuation tools to reach their final price range, but vary in how they treat sensitivity analyses

Valuations

Hypothetical Prime Valuation Scenario *



* Based on ranges set by Market Trading multiples, Comparable Transaction multiples, complex NPV analyses

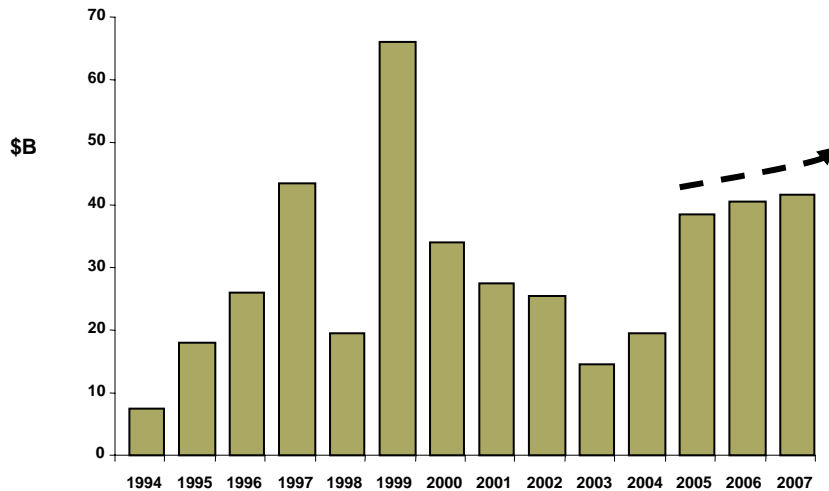
- Exploratory diligence may have resulted in “haircut” of seller’s projections, which are often overly optimistic
- Deep dives into contracts/opportunities drive baseline revenue projections; Primes run contract/backlog scenario analyses
- Research into redundant cost elements (or tax advantages) also drives valuation
- Extensive analysis and quantification of synergies ... Buyers try not to factor synergies into offer price
- Competition in M&A has driven Buyers to make offers closer to top end of identified Total Value (i.e. pricing in the synergies)

The final price is a combination of a number of factors: target baseline value, synergy value, intensity of competition, what a target is willing to accept, etc.

All indications point toward continued growth in M&A activity

Trends to Expect in 2006

Defense M&A Deal Volume



- Premiums for intelligence companies will continue to climb; IT premiums may drop
- Logistics and high-end product support companies will become sought after in FY07
- Foreign firms will continue to acquire, either directly or via newly acquired U.S. platforms
- Industry Primes will respond to a downturn in one of two ways:
 1. Consolidate (like LM, RTN, NG in mid-90s)
 2. Divest and shrink (like GD in mid-90s)
- **Either response means increased deal volume**

Contact Information

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Back Up

Quick Comments on Negotiations

Negotiations

- Most consultants and managers step out of the process at this point
- Price, Deal Structure and Organizational Structure are the most common points of negotiation
- Primes will often structure “earn outs” so as to keep key leadership on board for 2 to 3 years
- The industry has been trending toward more Wholly Owned Subsidiary legal structures ... these allow autonomy *and* synergy realization ... usually best for small business owners who want to continue running their businesses even after the transaction

Quick Comments on Post-Merger Integration

Post-Merger Integration (PMI)

- It is critical to link PMI strategy to the strategic intent of the acquisition
- A good Buyer will begin building the Integration team even before the ink has dried, assigning a manager who has been in on the deal from the Exploratory Diligence phase
- Communications is key ... Buyer and Seller need to have a formalized and approved Communications plan (internal and external) ready to implement on Day One of acquisition
- Preserving the culture of a high growth acquisition is often overlooked and – in the case of a company acquired because of strong customer relationships – is the fundamental most important driver of value



Technical Data and Computer Software in Government (DoD) Contracting

Walter J. Kneissler, Esq.

Data Rights and Computer Software in Government (DoD) Contracting

This Presentation will answer the following Questions:

- How are Technical Data and Software are treated in Department of Defense (DoD) Contracts?
- How is it best to protect Technical Data and Software when contracting with the DoD?

Governance

- # Data and Software Rights in DoD Contracts are governed by the DoD supplement to the Federal Acquisition Regulations

Commonly referred to as the

DFAR

Part I – Commercial Contracts

If you are selling commercial products or software to the Government, the following rules will generally apply to Technical Data and Software

Commercial Items

Commercial Items Defined:

- Commercial items are items that have been sold, leased or licensed to the public or offered for sale lease or license to the public or items that, but for minor modifications, would meet the above criteria

DFAR Treatment—Commercial Data

- # DFAR 252.227-7015
- # Government has license rights to certain data related to commercial Contracts—i.e. the right to use modify, reproduce, release, perform, display or disclose, and permit others to do so. This data includes the following:
 - Data delivered without restriction
 - Form, fit and Function Data
 - Data necessary for operation, installation or training
 - Data the Government already has rights in

Form, Fit, and Function Data

Form, Fit, and Function Data

- Technical data that describes the required overall physical, functional and performance characteristics of an item, component or process to the extent necessary to permit identification of physically and functionally interchangeable items

Commercial Software

Definition of Commercial Software similar to definition of Commercial Items

- Software developed or regularly used for non-governmental purposes which—has been sold or licensed to the public, has been offered for sale, lease, or licensed to the public or has not been offered, sold, leased or licensed, but will be available for commercial sale, lease or license in time to satisfy the delivery requirements of this contract (*DFAR 252.227-7014(a)(1)*)

Government Rights in Commercial Software

DFAR 227.7202-3

- Basically, the Government receives the rights specified in the license under which the software was obtained
 - the Government is treated the same as your commercial customers. It either accepts the license offered, or negotiates for further rights

Tips for Protecting Data and Software for Commercial Contracts

- # Do not provide data to the Government beyond what is expressly required without obtaining their agreement to protect it—***if you give it to them without restriction, they are free to use it as they see fit!*
- # Just because the Government asks for it, does not mean you have to provide it!
- # Negotiate Software licenses to the Government as carefully as you would with any other commercial customer

Part II – Noncommercial Contracts

Noncommercial Technical Data
and Software is treated far
differently than commercial Data
and Software

Non-Commercial Data

DFAR 252.227-7013

- This clause is used in contracts where technical data is to be delivered—typically in R & D contracts where the Data is developed under the contract and is a deliverable

252.227-7013 Continued

Via this clause:

- the Government receives “*unlimited rights*” in all Technical Data developed on the contract
 - Note, the Contractor can attempt to negotiate other rights with the Government (e.g. Government Purpose rights)

Unlimited Rights

- # The rights to use, modify, reproduce, perform, display, release, or disclose technical data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so (*DFAR 252.227-7013 (a)(15)*)

- **EXTREMELY BROAD RIGHTS—THE GOVERNMENT CAN DO PRETTY MUCH WHATEVER IT WANTS WITH THIS DATA.**

Tangential Data Treatment

- # Contractors often bring into a new Contract existing Technical Data—*this data can be protected, if you know how!*
 - If developed at private expense, this existing Data to be used and delivered on a new Contract, qualifies for “Limited Rights” treatment.

Limited Rights

- ✦ Means the Government has the rights to use, modify, reproduce, release, perform, display, or disclose technical data, in whole or in part, within the Government. The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical data outside the Government, or use the technical data for manufacture, or authorize the technical data to be used by another party. . . .

Utilizing Limited Rights Data

During the Representations and Certification process you will be asked to identify this Data.

It is important to identify this Data up front to preserve protections downstream

Marking

Two ways Contractor will be able to protect limited rights data used or delivered:

- Contractor will be able to withhold it from delivery on the Contract
- Contractor will be able to mark it with the “Limited Rights” legend, which delineates the rights the Government receives in the Data

IF YOU DO NOT MARK DELIVERED DATA, YOU

WILL LOSE THIS PROTECTION

Limited Rights Legend

LIMITED RIGHTS

Contract No.

Contractor Name

Contractor Address

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(3) of the Rights in Technical Data--Noncommercial Items clause contained in the above identified contract. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above named Contractor.

(End of legend)

Non-Commercial Software

#DFAR 252.227-7014

- Government gets “unlimited rights” in Software developed on a Government Contract
 - Rights to use, modify, reproduce, release, perform, display, or disclose computer software or computer software documentation in whole or in part, in any manner and for any purpose whatsoever, and to have or authorize others to do so (*DFAR 252.227-7014(a)(15)*)

Restricted Rights

- # Government gets “restricted rights” to noncommercial software required to be delivered to Government that was developed at private expense
 - *See 252.227-7014 (a)(14) for the definition of Restricted Rights, it is lengthy, but includes right to use one copy at a time, to transfer to another agency, make backup copies, etc.*

Tips for Protecting Data and Software for Non-Commercial Contracts

- # Negotiate rights more restrictive than “unlimited rights”
- # Do not deliver Limited Rights data that you are allowed to withhold
- # Disclose all Limited Rights data and Restricted Software in the Reps & Certs

MARK! MARK! MARK! Deliver all Limited Rights Data and Restricted Software with the appropriate legend

Part III – SBIR Contracts

- # SBIR Contracts are contracts that can be awarded ONLY to small businesses
- # There are 3 phases:
 - Phase I: feasibility study
 - up to six months, up to \$100,000
 - Phase II: development
 - up to two (2) years in amounts up to \$750,000.
 - Phase III: commercialization
 - must use non-SBIR Federal funding (*Note: DO not have to be a small business to do a Phase III*).

Data and Software Rights SBIR

DFAR 252.227-7018

- In SBIR Contracts Technical Data and Software are governed by the same clause
 - Government will receive SBIR Data Rights in all Technical Data and Computer Software developed under an SBIR Contract

SBIR Data Rights Defined

- # A royalty-free license for the Government, including its support service contractors, to use, modify, reproduce, release, perform, display, or disclose technical data or computer software generated and delivered under this contract for any United States government purpose (DFAR 252.227-7018 (a)(18))

SBIR Data Rights Continued

- # Per DFAR 252.227-7018(b)(4), *for 5 years from completion of the project*, the Government cannot disclose SBIR Data or Software except
 - as Contractor permits
 - for evaluation purposes
 - as is necessary for emergency overhaul and repairs of items operated by the Government.

Marking SBIR Data and Software

SBIR DATA RIGHTS

Contract No.

Contractor Name

Contractor Address

Expiration of SBIR Data Rights Period

The Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software marked with this legend are restricted during the period shown as provided in paragraph (b)(4) of the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovative Research (SBIR) Program clause contained in the above identified contract. No restrictions apply after the expiration date shown above. Any reproduction of technical data, computer software, or portions thereof marked with this legend must also reproduce the markings.

SBIR Advantages

- # SBIR Contracts present tremendous advantages to small business Contractors, especially in the protections afforded to Data and Software
 - *A Contractor gets 5 years of protection—this means the Government cannot give Contractor's Data or Software to a competitor for procurement purposes!*

Conclusion

Subcontracting

- Most of the Clauses cited in this presentation flow down to Subcontractors
 - This means that even if you are a subcontractor on a Government Contract, the Data and Software treatment will be the same
 - If a Prime Contractor sends you a Contract that treats Data or Software in a way less favorable to you than the rules set forth above—push back and ask for the DFAR Clauses to flow down to you!

Tips for Protection

- # Do not deliver Data or Software you are not required to deliver
- # Mark all Data and Software requiring marking—**OR YOU WILL LOSE YOUR RIGHTS**
- # Draft all manuals and instructions with an eye towards these regulations
- # Negotiate with the Government
- # When a Subcontractor—negotiate to have helpful DFAR Clauses flowed down to you

Final Thought

- # Fear of losing rights in intellectual property is a primary reason small businesses shy away from doing Government work. Knowing the rules provides a better understanding and may allay that fear

***MA Military Installations: Drivers of the
Regional Technology Economy***

**Hanscom Air Force Base
Soldier Systems Center – Natick**

**Alan J. Macdonald, Executive Director
for NDIA Small Business Conference
May 10, 2006**

Impact of Hanscom AFB and SSC – Natick

- **\$3.2 billion impact on MA regional economy**
 - **Responsible for 33,000 jobs – size of state's biotech industry**
 - **More than \$1 Billion in MA contracts annually**
 - **MA receives more than \$2 billion in DoD grants – outpacing NIH grants by \$300M**
 - **Driving force in technology culture that defines regional economy**
 - **Regional contribution critical to military capability**
-

Core BRAC Strategic Objectives

I. Prove Military Value:

- Proximity of military installations to MA technology cluster is critical to military capability for technology missions such as Hanscom AFB and Natick SSC

II. Demonstrate MA Is An Active Partner in Future Base Success

A. Create MassDTI

B. Develop Compelling Case Reflecting DoD Needs

C. \$429M Mission Expansion Plan – no new cost to DoD

D. Kennedy/ Romney National Tour

Post-BRAC: Collaborating to Enhance Future

Core MassDTI Strategic Objectives:

1. Enhance the competitiveness of the regional defense technology cluster – private, non-profit, academic and military
2. Provide coordinated, supportive outreach and messaging to the defense community

MassDTI Mission: *To promote job creation and growth opportunities for businesses and universities in the Massachusetts defense sector.*

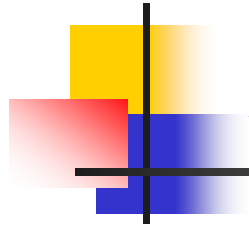


Prime-Subcontractor Relationship



Purpose

- Increase new business at military OEM



Supply Chain Scorecard

- Quality
- Delivery
- Responsiveness
- Value



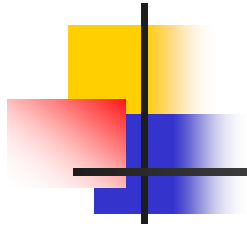
On-Site Participation

- Small business development
- Green belt, lean manufacturing sponsorship
- Technology Roadmap knowledge
- End of life issues
- DMS



Sub-Contractor Participation

- Open house
- Quarterly program review
- DFM feedback



Other

- OEM organizational changes
- OEM's customer changes
- OEM's competitors



National Small Business Conference

Mr. Richard McNamara
PEO Submarines

May 9, 2006



NAVAL SEA Systems Command PEO-Submarine

- About NAVSEA/Team Submarine
- PEO-Submarine Small Business Plan
- Small Business Innovation Research (SBIR) Program
- SBIR Success Stories
- Advocacy
- Role of Small Business
- Available Websites



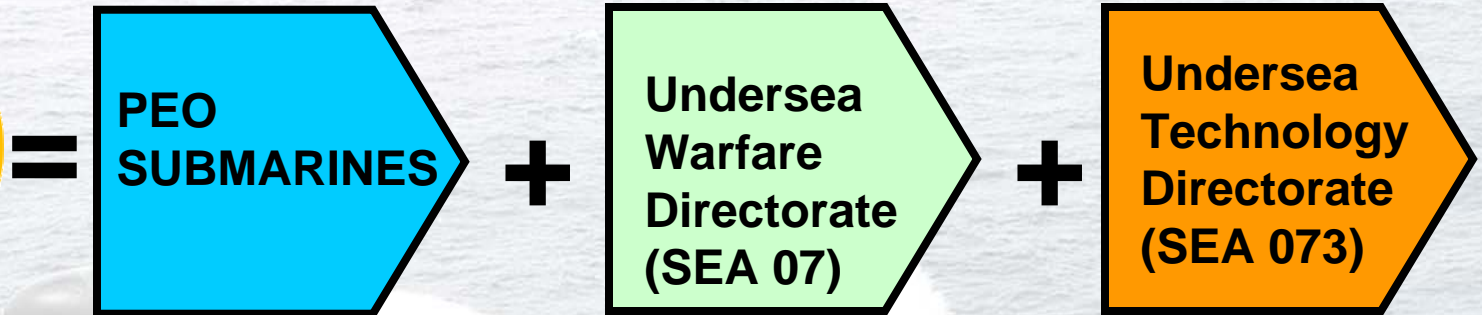
What is NAVSEA?

- The Naval Sea Systems Command
 - Largest of Navy's 5 systems commands
- Workforce of 50,000 at
 - HQ
 - 4 shipyards
 - Undersea and surface warfare centers
 - 9 supervisors of shipbuilding staffs
- Responsible for 1/5 of Navy budget (\$20B)
- Manages > 130 acquisition programs
- Affiliated with 6 Program Executive Officers

Ensuring the Fleet is Capable and Ready
- Operating Around the Globe -

What is Team Submarine?

The Offices



- | | |
|---|--|
| PEO SUB | - Design, acquisition, and in-service support |
| | - Management of new and emerging submarines and submarine systems. |
| Undersea Warfare (SEA 07) | - Total ownership support for existing and emerging submarine platforms and systems. |
| Undersea Technology including Directorate (SEA 073) | - Single point of contact for all undersea initiatives research and development. |



Who is Team Submarine? The People

- 652 military and civilian personnel located primarily at NAVSEA HQ
- 225 additional personnel at Submarine Maintenance Engineering Planning and Procurement (SUBMEPP)
- Assisted by
 - 2 private nuclear-qualified shipbuilders
 - Hundreds of contractors across the country

“An integrated team of professionals, dedicated to submarine safety and focused on affordability, who develop, acquire, modernize, and maintain the World’s Best Submarines”

COMNAVSEA

Undersea Warfare
Directorate (SEA 07)
RDML W.G. Timme

Executive Director
(SEA 07B)
J. James

Program Offices

- Strategic/Attack Submarines (PMS392) CAPT A. Mullarky
- Advanced Undersea Systems (PMS394) CAPT T. Eccles

Submarine Matrix Support Division

- Logistics Management Support (07L) CDR W. Baker
- SUBSAFE/Quality Assurance (07Q) CDR R. Seraiva
- H,M&E Engineering Management (07T) G. Gardner
- Warfare Systems Engineering (07W) LCDR K. Christensen

SUBMEPP

ASN (RD&A)

Program Executive Office,
Submarines (PEO-SUB)
RDML W. Hilarides

Executive Director
(PEO SUB-B)
R. McNamara

Technical Director
(PEO SUB-TD)
J. Evans

Acquisition Program Offices

- OHIO Class (PMS398)
Vacant
- Special Operating Forces (PMS399)
CAPT J. Elnitsky
- VIRGINIA Class (PMS450)
CAPT D. Johnson
- Taiwan Navy (SUB-TN)
Wilton Best

Acquisition Program Offices

- Submarine Acoustics Systems (PMS401)
CAPT G. Kerr
- Undersea Weapons (PMS404)
CAPT D. Portner
- Undersea Defensive Warfare Systems (PMS415) CAPT M. Bock
- Sub Combat and Weapons Control (PMS425) V. Gavin
- Submarine Sensor Systems (PMS435)
CAPT D. Duryea
- Warfare Systems Engineering (SUB-W)
LCDR K. Christensen

COMNAVSEA

Undersea Technology
(SEA 073/COMNUWC)
RADM S. Johnson

Deputy Executive Director
(SEA 073B)
J. Smerchansky

Program Manager
(SEA 073R)
CAPT T. Wears

Related Undersea
Acq Activities
SSP
(Payload & Sensors)
PMW770
(SUBCOMMS)
PEO IWS 5
PMS403 (UUV)
PMS485 (ADS)

PEO
SUB

SEA 07

Matrix
to Both

Congressional
Affairs

Business
Planning &
Oversight

Financial
Management

Personnel
Management

Information
Management

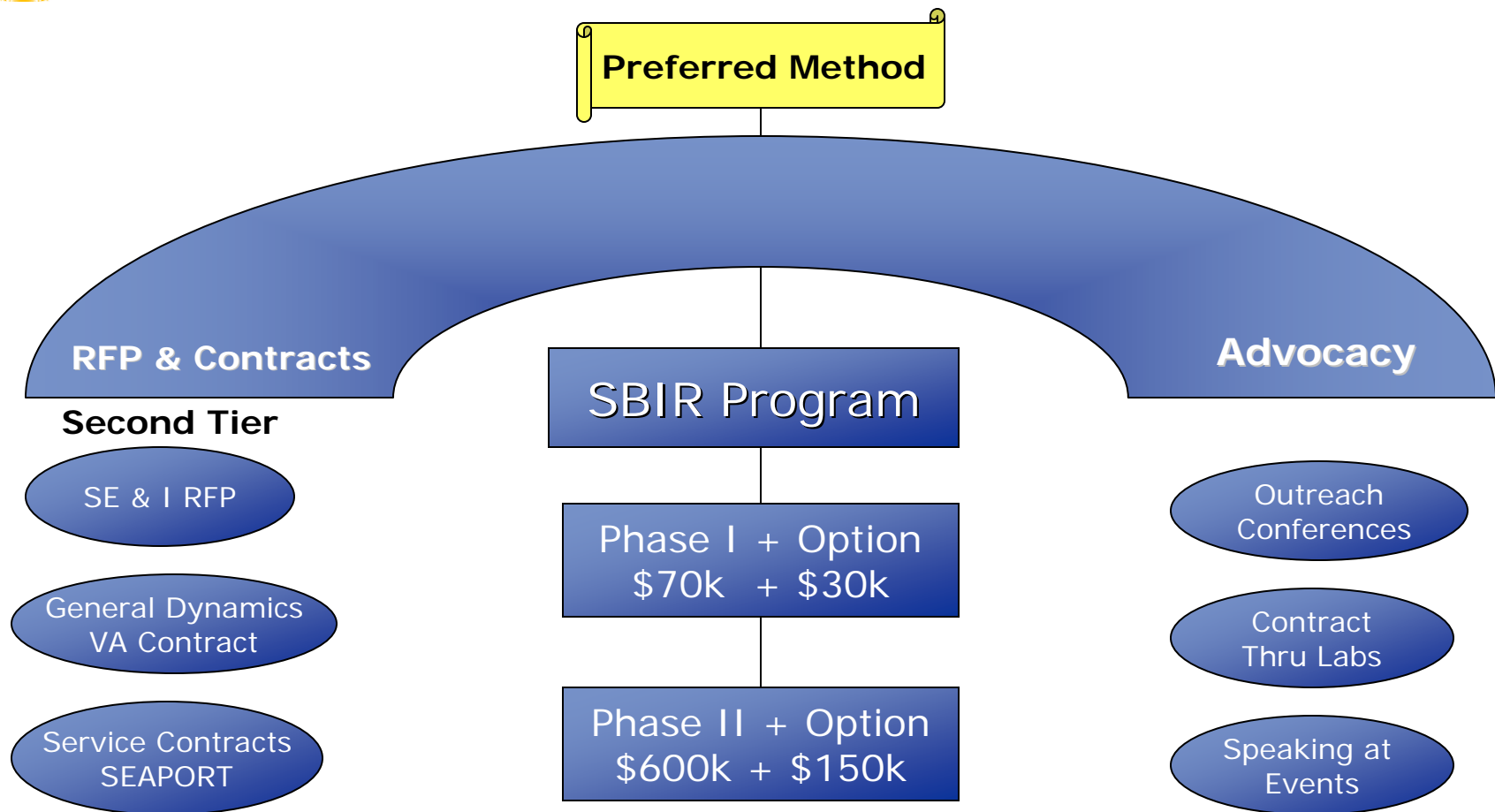
FMS
Management

LEAN

TEAM SUBMARINE ORG CHART (Mar 2006)



PEO-SUB Small Business Plan



How to Get Involved



SBIR vs. Small Business

SBIR

- Size – 500 people or less
- No Revenue Limits

Small Business

- Size: varies from industry to industry
 - People Based
 - Revenue Based

North American Industry Classification System (**NAICS**) Replaced the Standard Industrial Classification (**SIC**) Systems in October 2000



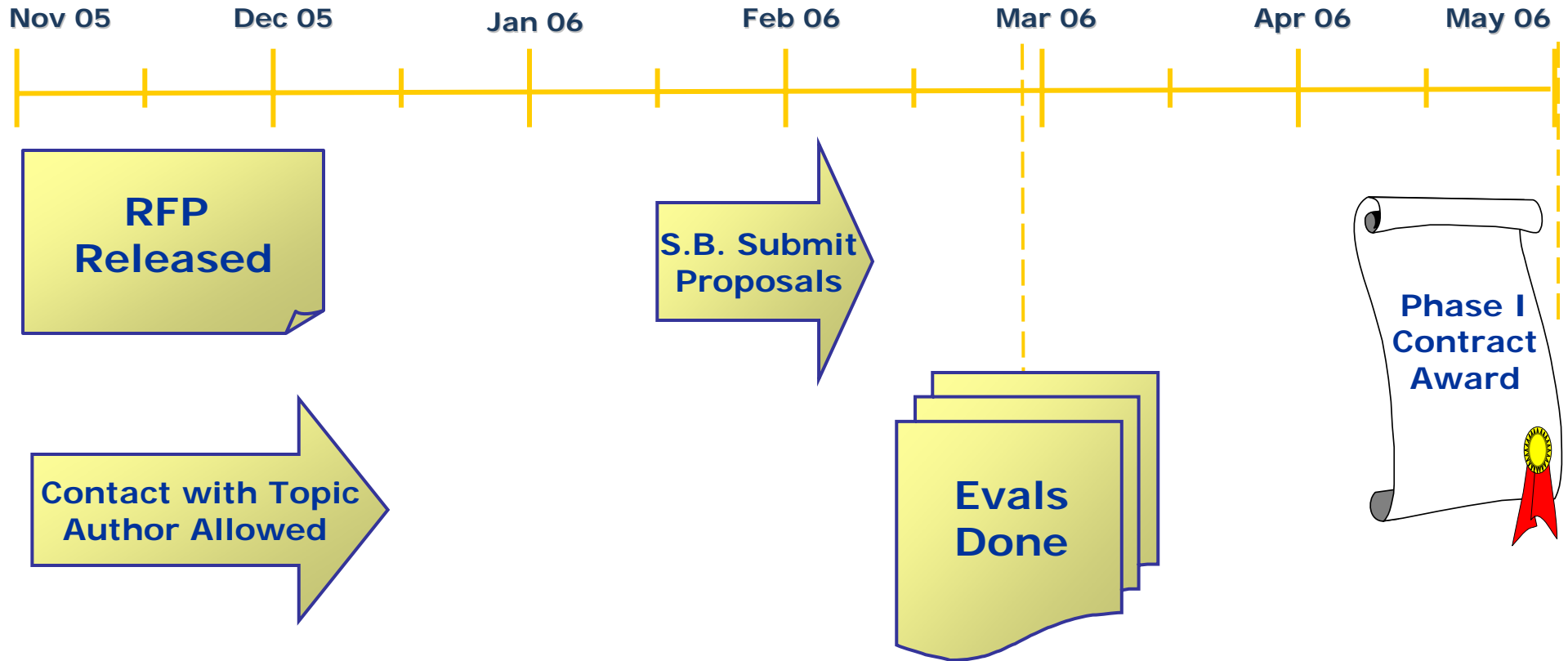
Take A Small Business “Test Drive”

• Small Business Demonstration

- Small business ability to demonstrate their capabilities
- Understand program requirements/needs
- PM opportunity to work with small business
- Forum to build confidence between PM & small business
- A sorting process for PM's

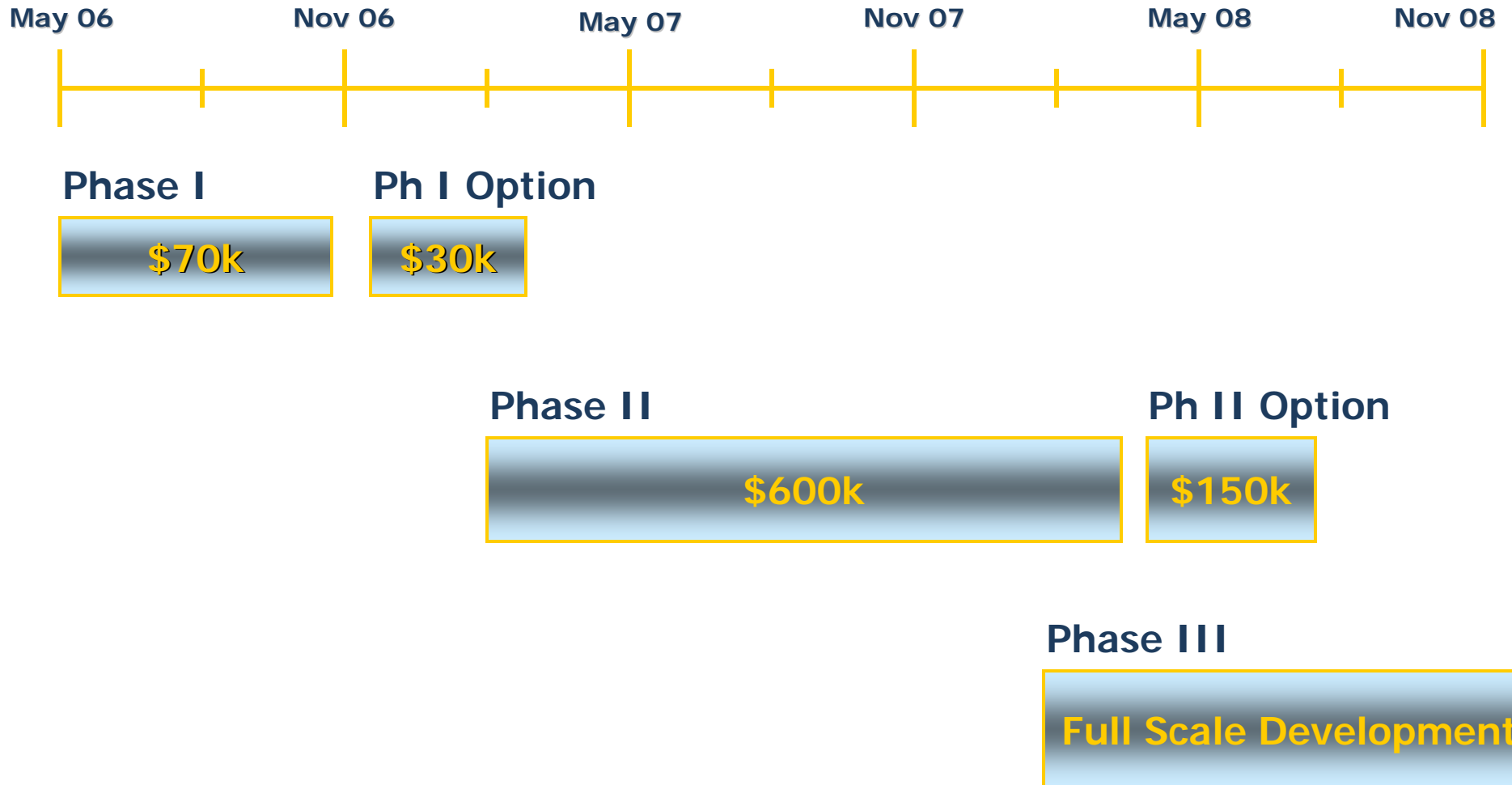


SBIR Program Timeline





SBIR Program Timeline





SBIR Sample Topic

NO4-039 TITLE: Parametric Sonar to Enhance Torpedo Performance

TECHNOLOGY AREAS: Sensors

ACQUISITION PROGRAM: ACAT III; PMS404

OBJECTIVE: Improve active torpedo homing in shallow water by using parametric sonar in conjunction with conventional linear sonar.

DESCRIPTION: Non-linear parametric sonar provides the capability to generate relatively lower frequency acoustic signals with narrower beamwidths and nearly non-existent side lobes in contrast to its conventional linear sonar counterpart. These attributes of higher spatial resolution and side lobe elimination can potentially be used to achieve significant reductions in volume and surface scattering strengths in the reverberation-limited littorals and to realize significant reductions in false-alarm rate. Moreover, parametric sonar has the potential to discriminate small and large underwater objects in a frequency band not readily subject to acoustic countermeasures, thereby offering the added capability of a marked reduction in threat countermeasure effectiveness.

The key elements of establishing the feasibility and practicality of parametric sonar for torpedoes include (a) the feasibility and verification of high frequency parametric transduction and, via the medium, a lower (difference) frequency realization; (b) parametric sonar effectiveness against countermeasures; and (c) full-scale testing and verification of development features. Using existing torpedo transduction design, the capabilities of a parametric sonar need to be demonstrated in a realistic operational setting. Namely, two primary frequency sources emanating from the same array must be simultaneously transmitted into the medium [reference (1)]. The parametric difference frequency may be realized across a number of frequency bands, depending on the selected primary transmitted waveforms. A major part of this effort will entail optimizing the parametric receive band for reducing countermeasure effectiveness. Finally, full-scale tests will need to be conducted before transitioning this technology to the fleet.

PHASE I: Develop and demonstrate proof-of-concept for high frequency active parametric sonar applicable to tactical scale underwater vehicles (UUVs/weapons). Specifically, develop and demonstrate proof-of-concept for detection, classification, and decision-making with parametric sonar that enables the discrimination of small and large underwater objects in frequency bands not subject to countermeasure jamming. Verify concepts by analyses. The proof of concept should answer the following questions. What are the spectra of options for primary and secondary (difference) frequency selection based on existing torpedo transduction design? What are the design tradeoffs relating power efficiency, primary and difference frequency selections for minimizing threat countermeasure effectiveness and for maximizing torpedo homing performance? What are the (measured) realizable beamwidths of the parametric sonar beam? What are the (modeled) expected homing range performances of the parametric sonar, in the respective typical operating areas of interest? What are estimates of the typical volume and surface backscattering dependency as a function of frequency for these operational environments?

PHASE II: Prototype the high frequency transducer/array concept for parametric sonar and demonstrate capability of application to UUV/weapon application by static acoustic laboratory testing. Validate capability to avoid and penetrate countermeasure field during testing.

PHASE III: Provide full-scale operational torpedo prototype and perform operational testing. Demonstrate the capability of parametric sonar to discriminate between target and countermeasure in a highly reverberant environment.

PRIVATE SECTOR COMMERCIAL (Dual-Use) POTENTIAL: Parametric sonar transmissions can produce low frequency narrow acoustic beams. Private sector applications include, as examples the medical field (ultrasonic imaging), marine industry (sea floor and sub-bottom profiling, acoustic communications [reference (2)] as well as other fields where non-obtrusive insonification may be desired [reference (3)].

REFERENCES:

1. R.T. Beyer, Nonlinear Acoustics, Van Nostrand Reinhold Company, 1984
2. A.H. Quazi and W.L. Conrad, Underwater Acoustic Communications, IEEE Communications Magazine (March 1982)
3. W. Von Winkle, Editor, Scientific and Engineering Studies: Nonlinear Acoustics 1953-1984, Naval Underwater Systems Center
4. J. Wunderlich and S. Müller, High-resolution sub-bottom profiling using parametric acoustics. International Ocean Systems, July/August 2003, pp. 6-11.

KEYWORDS: sonar; parametric; torpedo; homing; littoral; countermeasure

TPOC: Bruce Sandman
Phone: (401) 832-3755



SBIR Business Plans

- Continue leadership in SBIR Program
 - PM active involvement
- Get big business involved in transitions
 - Structure prime contracts to enable SBIR participation.
 - Early and often design disclosure
- Incentives for big businesses to transition SBIR
 - Fee Incentives
- Increase small business exposure to P.M.'s
- ONR Sponsored Technology Assistance Program (TAP)



SBIR Success Stories



Texas Research Institute

Generic Structural Composite
Material, Phase II

Composite Launch Tube, Phase II

Composite Torpedo Fuel Tank, Phase II



Trident Systems

Submarine Combat System C4I Interoperability, Phase III

Mobile Computing for Submarine Applications
(NTDPS), Phase III

Apply State of the Art Technology to Submarine
Systems Maintenance, Phase II



Progeny

Technology Infusion, Phase III

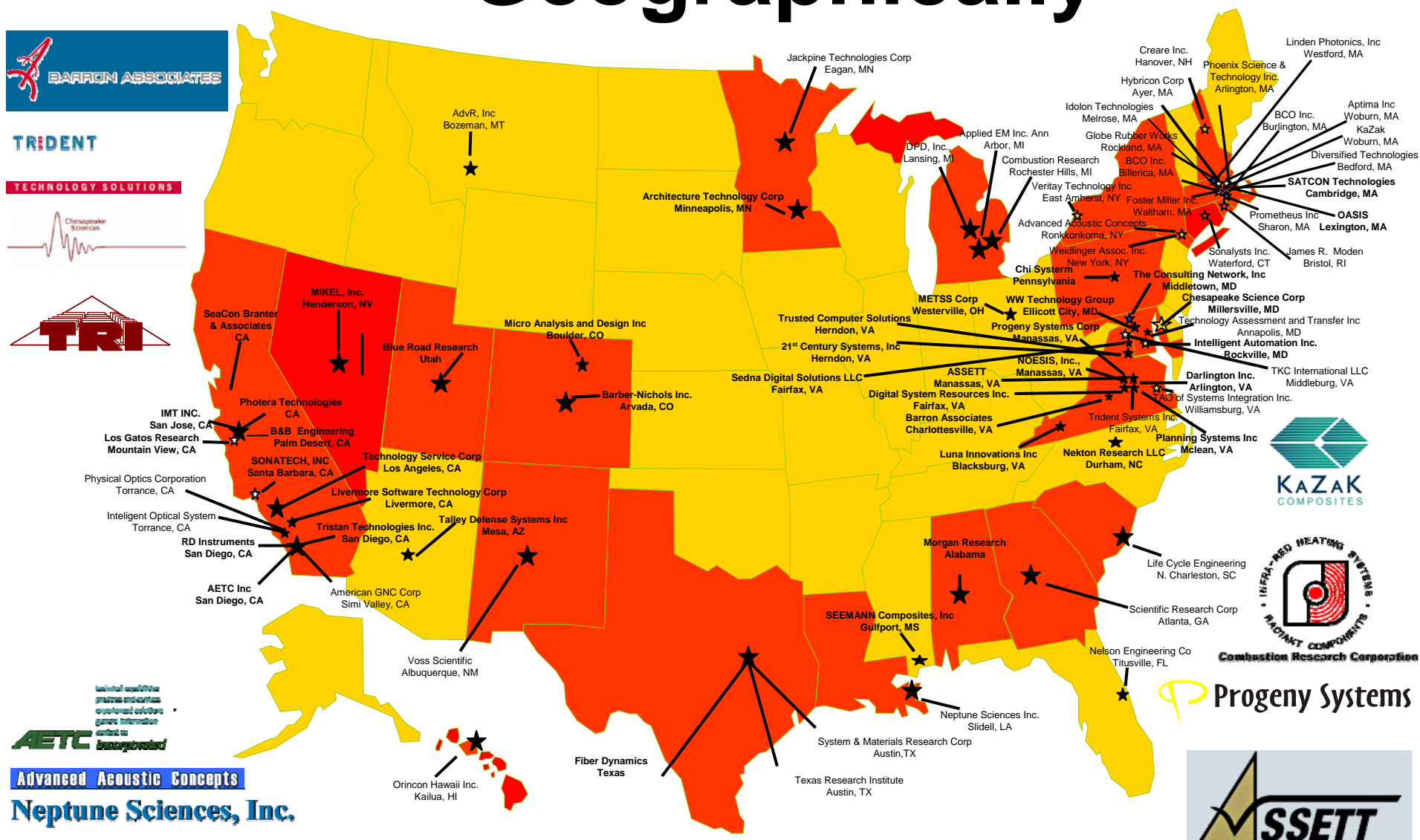
COTS Approach to
Information Security, Phase III

Innovative Signal Processing Concepts
for Active Emissions, Phase III

3 Phoenix

Real Time Data Fusion, Phase III

Shallow Water Beamformer, STTR Phase II



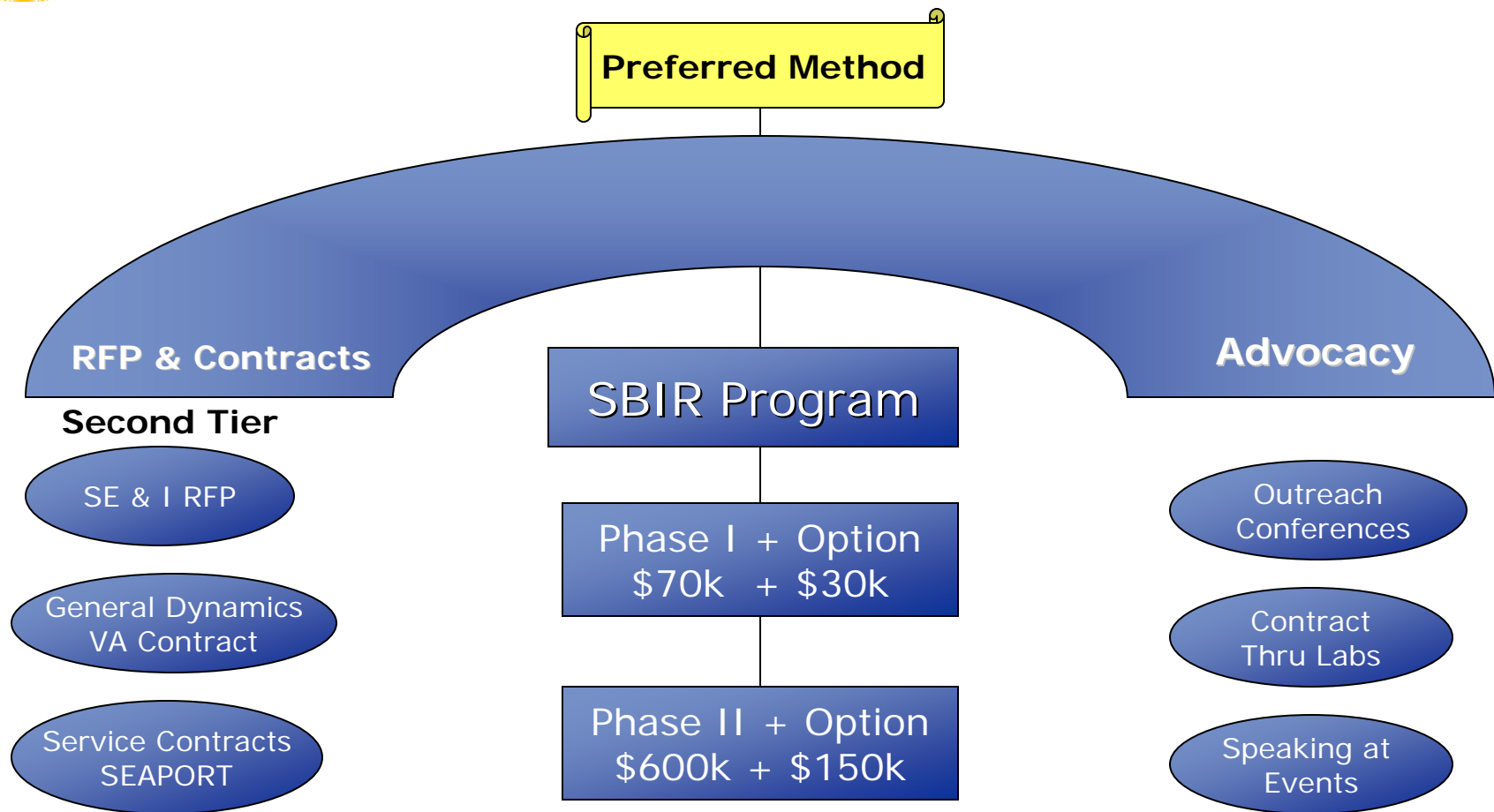


Phase III Strategies

- Expand business opportunities for small businesses
- Develop PM's understanding of streamlined contracting tool/techniques
- Reward PM's who use small businesses
- Small businesses needs an advocacy
- Strive for Government's small business goals



PEO-SUB Small Business Plan





RFP & Contracts

- Small Business Participation Required
 - Evaluated and Scored
- Contract Execution
 - Incentive Fee



Advocacy

- Women Owned Small Business (WOSB) Conference
- Participating in the Technology Assistance Program (TAP)
- Engage with Prime Contractor Business Leaders to promote partnerships with Small Business



Role of Small Business

- Innovative Thinking
- Agile Business Processes
- Lower Costs
- Provides Options



SBIR Web-Sites



www.acq.osd.mil/sadbu/sbir

www.navysbir.com





Databases

- Search the Navy Database for current topics:
<http://www.navysbir.brtrc.com/navysearch/search/search.aspx>
- DoD SBIR/STTR Topics-Basic Search:
<http://www.dodsbir.net/Topics/Default.asp>



Navy SBIR/STTR Programs

Richard McNamara
PEO-SUB Executive Director

www.navysbir.com

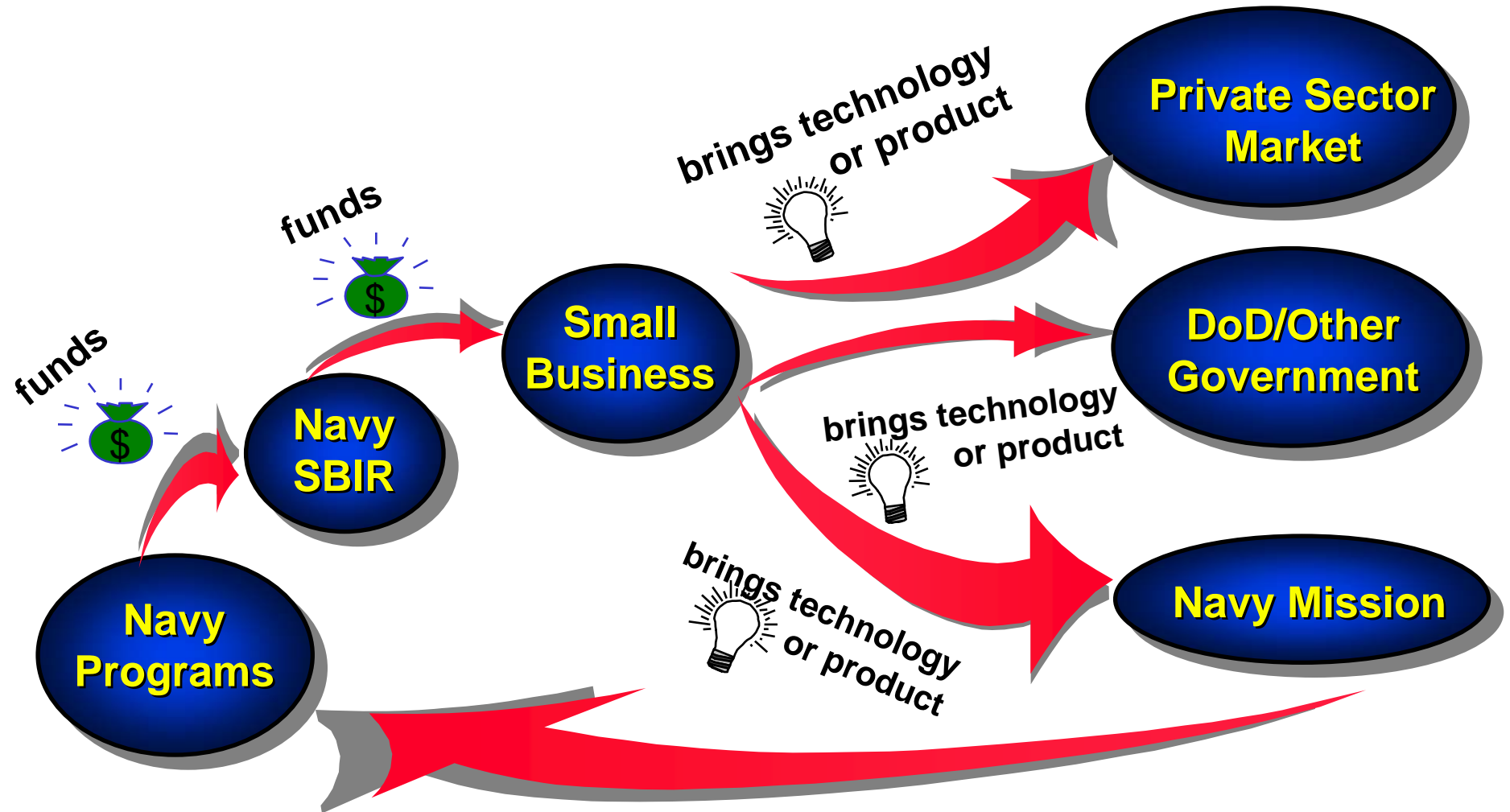


Navy SBIR Program Goals

- **Use small business to develop innovative R&D that address Navy needs**
- **Implement that technology into a Navy Weapon System**



Leveraging Investment in Small Business





Navy Needs Are Diverse





Navy SBIR Program Description

- **Mission oriented R&D program**
 - Over 80% of Naval topics address a specific need from a PEO/PM/FNC office (i.e. military application)
- **Aligned with Acquisition Programs**
 - Acquisition offices select topics and awardees based on their R&D priorities and SBIR funding allocation
- **Provides small business an opportunity to meet Naval needs and requirements**
 - Navy topics are found in every SBIR/STTR solicitation
- **Provides transition assistance support**
 - Transition Assistance Program (TAP)
- **Decentralized management**
 - Need to be aware of various specific guidelines



Transition Assistance Program (TAP)

- All Phase II companies attend orientation
- Optional contractor service provided by Navy
- Business strategy development training
- Defense transition plan development training
- Course includes development of business plans, protection of intellectual property, license agreements, partnering, venture capital, etc
- 10 month program ends with companies briefing Naval PM's, Industry and VC's communities at 3 day forum



Funding and Program Managers

Program administration: John Williams, Director NAVY SBIR

FY 2006: NAVY SBIR\$288M

NAVY STTR.....\$35M

Program execution*:

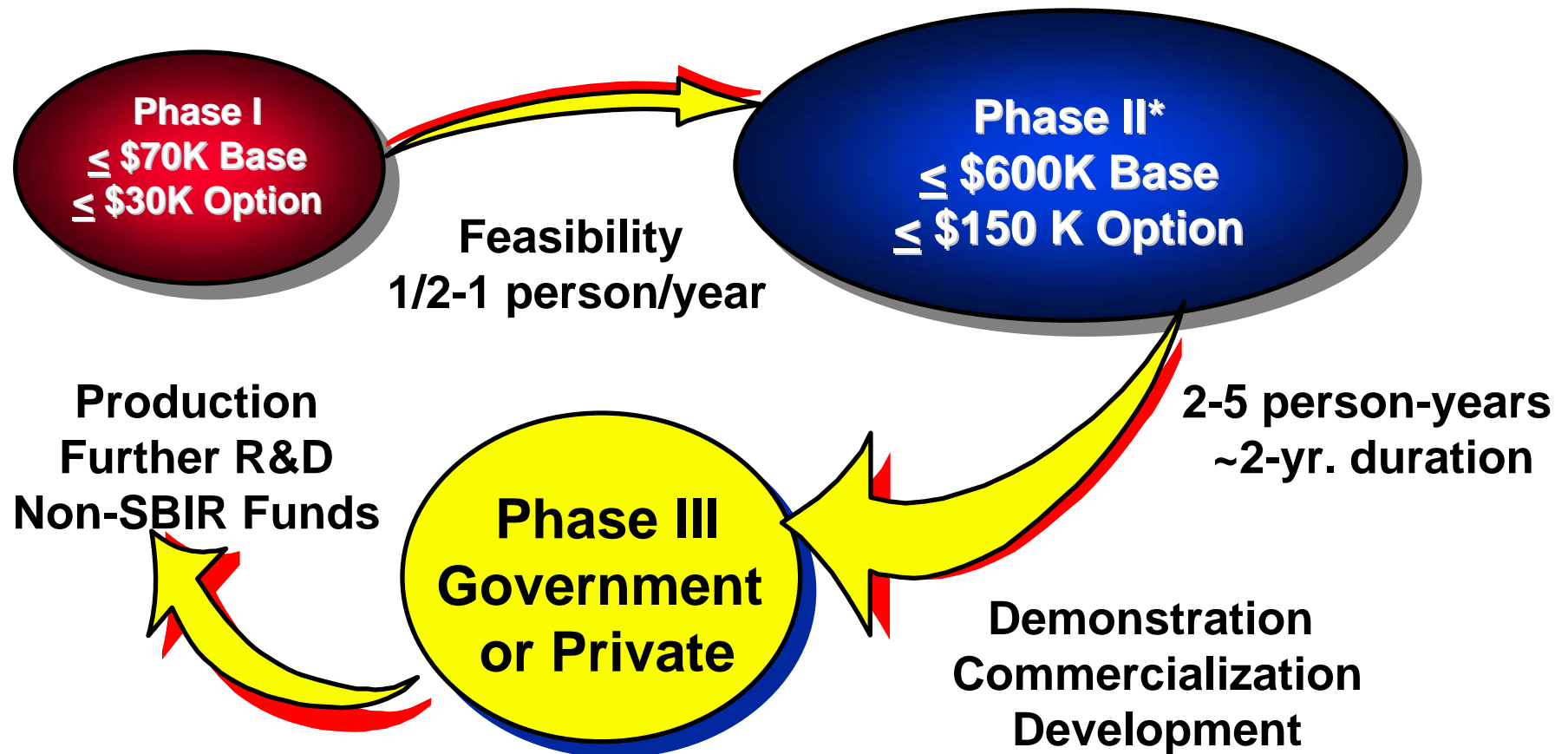
NAVY SBIR FY 2005 (\$253) Funding Breakout:

NAVAIR.....\$108M	Janet McGovern
NAVSEA.....\$59M	Janet Jaensch
ONR.....\$46M	Cathy Nodgaard
MARCOR... \$12M	Paul Lambert
SPAWAR\$15M	Linda Whittington
NSMA.....\$8M	Leslie Ferguson
NAVSUP, SSPO, NAVFAC ...~\$5M	
STTR.....\$30M	Dottie Vincent

*each SYSOM has different guidelines for phase II



Program Phases



*varies by component



Navy SBIR Program Statistics

- Statistics for the SBIR programs:

	# of Topic	\$M	# of proposals	# of Phase I	# of Phase II
- 2001	192	129	1,798	241	136
- 2002	207	158	3,072	573	170
- 2003	222	205	3,088	510	122
- 2004	266	219	3,667	585	239
- 2005	163	253	2,746	*500	tbd

- Statistics for STTR programs:

	# of Topic	\$M	# of proposals	# of Phase I	# of Phase II
- 2001	10	7.7	100	19	7
- 2002	19	9.5	158	42	16
- 2003	26	12.4	314	69	20
- 2004	34	25	404	91	27
- 2005	33	30	467	96	*35

* estimated



Small Business Participation

SBIR Proposals/Awards

Colorado Navy Phase I Proposals/Awards

05.1 = 41 proposals/6 awards

05.2 = 16 proposals/3 awards

05.3 = 17 proposals/2 awards



FY05 DOD SBIR AWARDS for Colorado

<u>Ph I</u>	<u>Award</u>	<u>Amount</u>	<u>Ph II</u>	<u>Amount</u>	<u>Total SBIR for CO</u>
646	99	\$9,217,670	57	\$41,846,815	\$51,064,485



What Are The Odds

- **Average 12 proposals per topic**
- **2 phase I awards per topic**
- **40% of Phase I proposals go to Phase II**



What Does TAP do for the Small Business?

- **Develops a business strategy for the technology transition**
- **Provides assistance (Dawnbreaker portfolio manager) to help coach/nag you along the process**
- **Provides a venue, Opportunity Forum, for contacts with key decision makers from Prime Contractors, PEO's, Private Industry and Investment Community**
- **Provides tools to continue the transition path after graduation from TAP**
 - **Business plan**
 - **Elevator presentation**
 - **Company capability brochure**



What you need to know!

- **What is the target for your technology?**
- **Who is responsible for buying that target?**
- **Who is responsible for building that target?**
- **Who is responsible for maintaining that target?**
- **When can the target accept your technology?**
- **Where is the money to buy your technology?**
- **Why is your technology important to the target?**

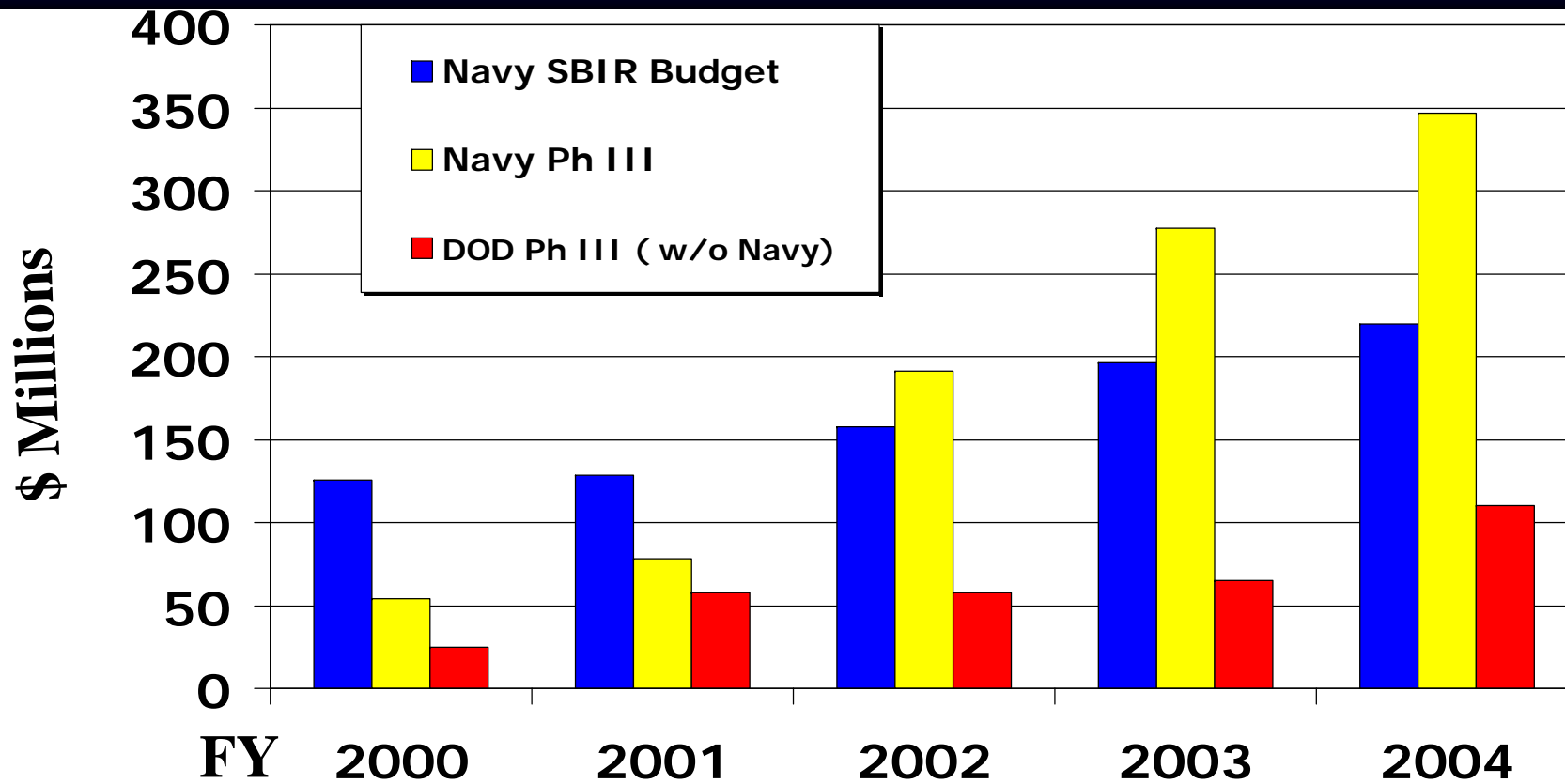


What you need to know!

- **Will your technology meet the target's requirements?**
- **What is the cost technology?**
- **Who will manufacture your technology?**
- **What is the TRL of your technology?**
- **Has your technology been tested, evaluated, accepted?**
- **Who/what is your competition?**



Phase III Comparison



- Phase III data from DD 350 forms
- FY04 DOD Phase III funding was \$456 M, Navy was \$346 (76%) which came from 114 separate contracts to 81 individual firms



Navy SBIR/STTR Bulletin Board

Get the most updated information on the Navy program
<http://www.navysbir.com>

Small Business Innovation Research
DEPARTMENT OF THE NAVY

Office of Naval Research

About SBIR/STTR
Learn how the program works; who can participate; how to get started and other general information.

Submission
You must access this site when submitting a Phase I or II proposal to the Navy. Navy requires electronic submission of appendices A, B, & E and project summary reports.

What's New
Review recent award winners, new requirements, upcoming conferences and late breaking news.

Solicitation
Review current topic solicitation and instructions along with links to other Government SBIR solicitations.

Search Database
Identify technology that you can use in your program. Find out who is working in certain technology areas by searching Phase I & II Abstracts, Summary Reports and Success Stories.

POC's/Organizations/Link's
Links to all Navy SBIR Program Offices, and other helpful organizations and websites.

Success Stories
Review SBIR funded efforts that have successful transitions. Gain access to detailed information on technology that is ready to be implemented into your application.

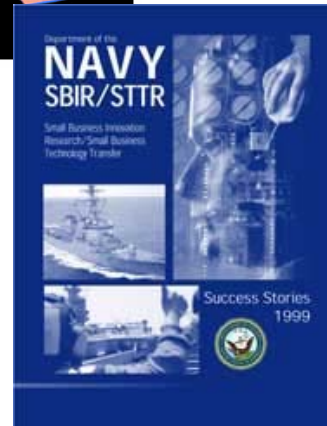
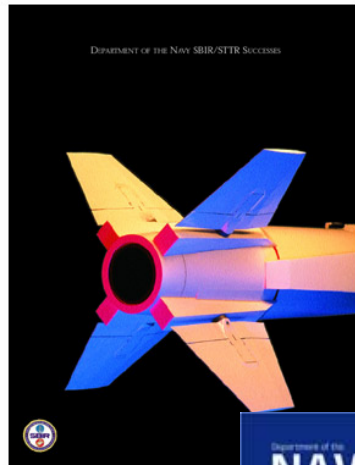
FAQ's
Review our collection of frequently asked questions about the SBIR and STTR Program.

Navigation Links:

- About SBIR/STTR
- Submission
- What's New
- Solicitation
- Search Database
- POC's & Links
- Success Stories
- FAQ's
- ONR Home
- Contents
- Home



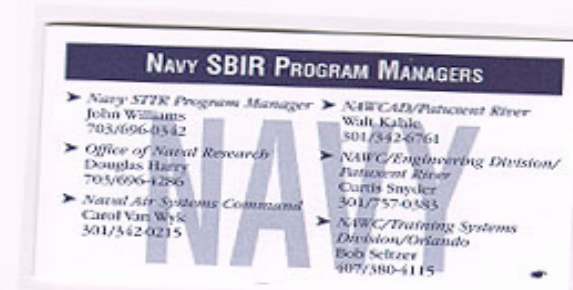
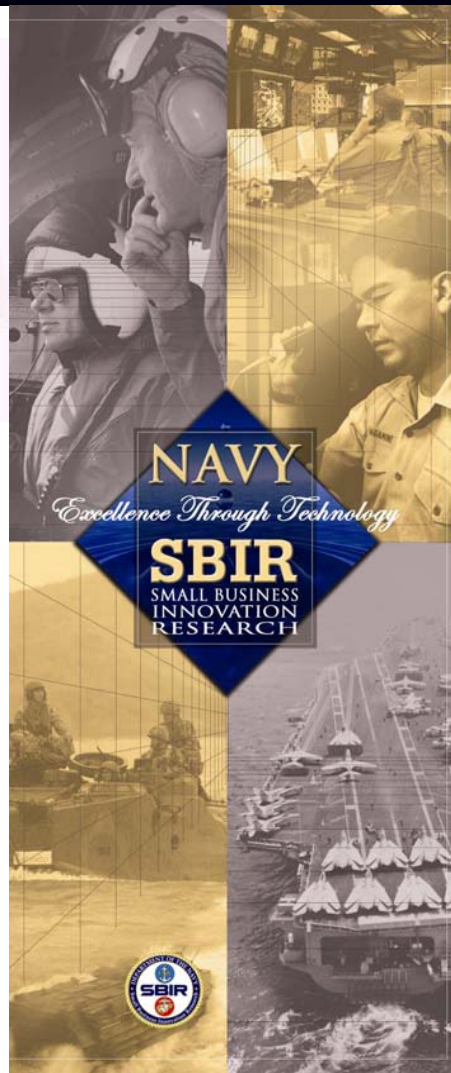
Success Story Publication



- success story books highlighting SBIR and STTR companies that have transitioned technology
 - copies disseminated to Congressional leaders, PEO/PM's, Large Primes, and Small Businesses



Brochures, POC Cards and Website Information





Research, Development & Engineering Command

***New England Military
Installation Panel
2006 & Beyond –
Base Vision and Acquisition
Outlook***

***National Small Business
Conference
10 May 2006***

***Roger A. Nadeau
Major General, USA
Commanding***



Technology to the Warfighter Quicker

"Need to be faster, more agile, less bureaucratic - Need to Fight this everyday"



US Army Soldier Systems Center Natick, Massachusetts

**Represents the
Army In New England
(Only Active Installation)**

***The Science
Behind the Individual Soldier***

"Need to be faster, more agile, less bureaucratic - Need to Fight this everyday"

Technology to the Warfighter Quicker



Organizations at the Soldier Systems Center

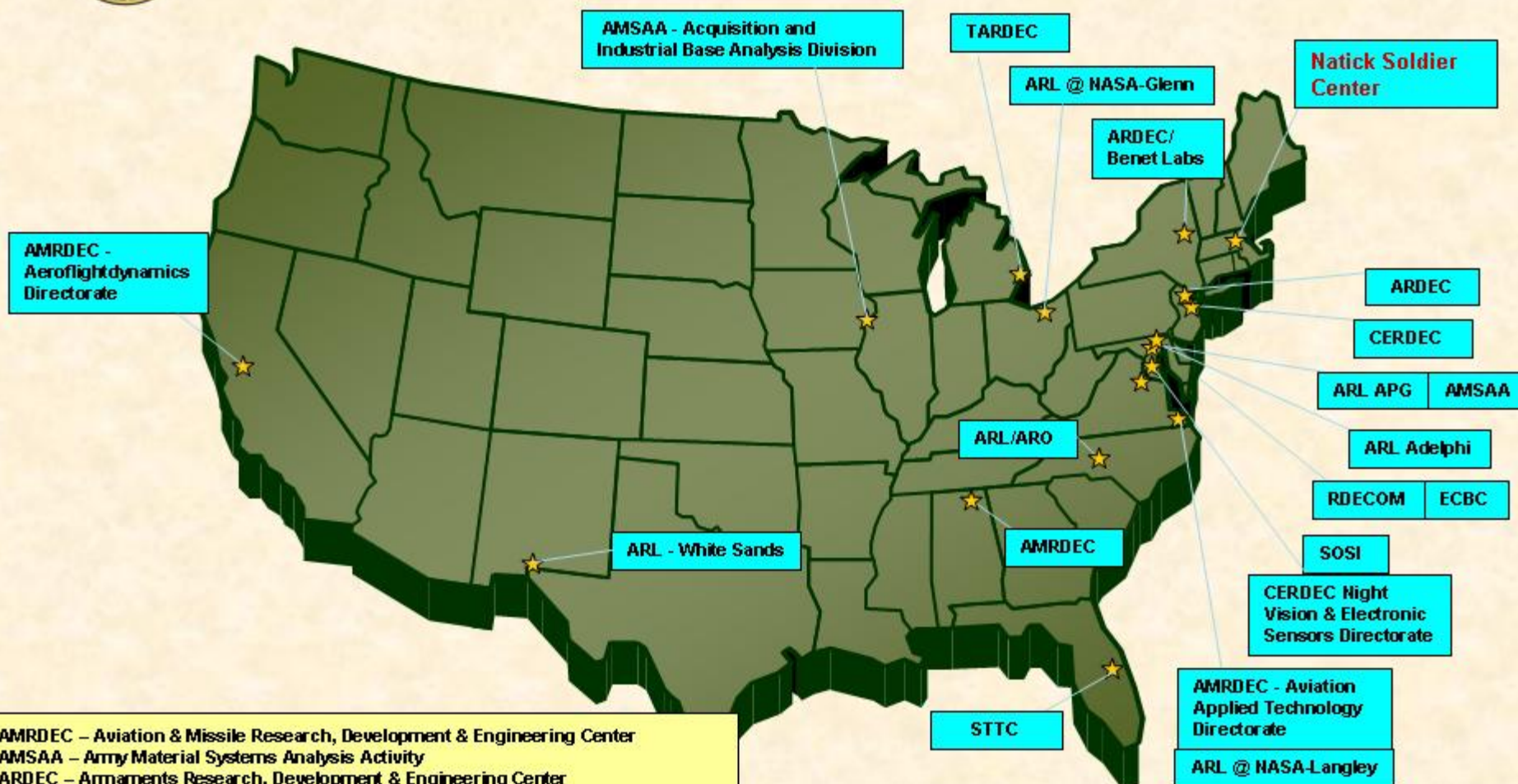


"Need to be faster, more agile, less bureaucratic - Need to Fight this everyday"

Technology to the Warfighter Quicker



RDECOM ORGANIZATION



AMRDEC – Aviation & Missile Research, Development & Engineering Center
 AMSAA – Army Material Systems Analysis Activity
 ARDEC – Armaments Research, Development & Engineering Center
 ARL – Army Research Lab
 ARO – Army Research Office
 CERDEC – Communication - Electronics Research, Development & Engineering Center
 ECBC – Edgewood Chemical Biological Center
 NSC – Natick Soldier Center
 SOSI – System of Systems Integration
 STTC – Simulation and Training Technology Center
 TARDEC – Tank and Automotive Research, Development & Engineering Center



Pursuing Transformational Capabilities

Speed, Reach, and Precision

Current Force



~100 lb. load



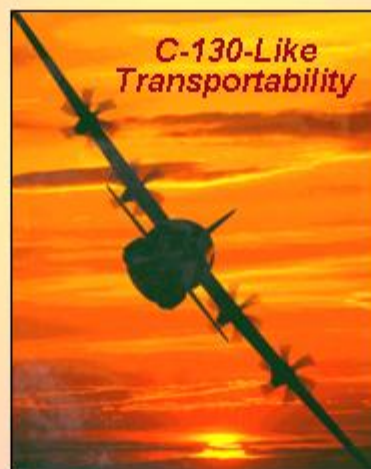
70+ tons



< 10 mph

From Platforms to
System of Systems

Enabling the Future Force



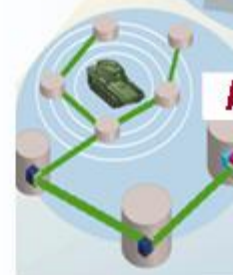
Enhancing the Current Force

Future Force

< 50 lb.
load



Fully networked



< 20 tons



> 40 mph

"Need to be faster, more agile, less bureaucratic - Need to Fight this everyday"

Technology to the Warfighter Quicker



Support to Current Operations

HMMWV
Doors



Armed Unmanned Weapon Platforms



Pacbot

Tear-off
Windshield
Film



Shelf-Stable
Pocket Sandwich



Omni-Directional
Inspection System



Predator
Hellfire
Integration



Cooperative
Defense Initiative



40mm
Thermobaric
Cartridge



Zinc-Air Battery



Bunker Defeat Munition



Aerial
Delivery



Phraselator



Mobile Lab



Field Expedient Protection
for Ground Vehicles



Interceptor Body Armor
& Advanced Combat Helmet:
Dozens of Lives Saved
During OEF/OIF



Slat
(Bar)
Armor



WelCam



Technology to the Warfighter Quicker



So... You Want To Do Business with the Army?

➤ Where Do You Start?

- FirstGov.gov (<http://www.firstgov.gov>) is the US Government's official portal.
- This site contains a page for businesses and nonprofits that provides information and links on how to do business with the Government.
- The page titled "Sell to the Government" (http://www.firstgov.gov/Business/Sell_To_Gov.shtml) contains a lot of useful links.
- Contractors wishing to do business with the Army must be registered in the Contractor Central Registration site (<http://www.ccr.gov>) in order to receive an award.



So... You Want To Do Business with the Army?

➤ What Requirements Are Being Advertised?

- Federal procurement offices are required to announce proposed procurement actions over \$25,000 on the Federal Business Opportunities (FedBizOpps) website (<http://www.eps.gov>). This is an “advance” notification of a solicitation.
- The solicitation will then be posted on the Army Single Face to Industry (ASFI) web site (<https://acquisition.army.mil/asfi>).

➤ Who Can You Contact at APG?

- Aberdeen Proving Ground Small Business Office: 410-278-1508
- Edgewood Area Small Business Office: 410-436-3136
- Aberdeen Proving Ground Business Development Office: 410-273-5062 (<http://stb.apg.army.mil/BDO/index.htm>)



SUCCESS THROUGH TEAMING

MARKETING TO PRIME CONTRACTORS

Ludmilla Parnell
Marketing Director
Small Business Partnerships



Agenda Items



- Who is Anteon?
- Differentiating your business
 - AKA getting a prime's attention!
- Marketing in the U.S. Government sector
 - Beyond capabilities
 - Research and capture planning
- Calling on primes
 - Successful teaming
- Conclusion



ANTEON FACTS

Overview



- Leading full service provider of technology services to the U.S. government
 - More than 1,000 customers
- Founded in 1976; IPO in 2002 (NYSE: ANT)
- Headquarters in Fairfax, Virginia
 - More than 100 field offices worldwide
 - 9,500 Team Anteon employees
- Outstanding track record of growth and operating performance
- For more information and a list of our locations, visit www.anteon.com





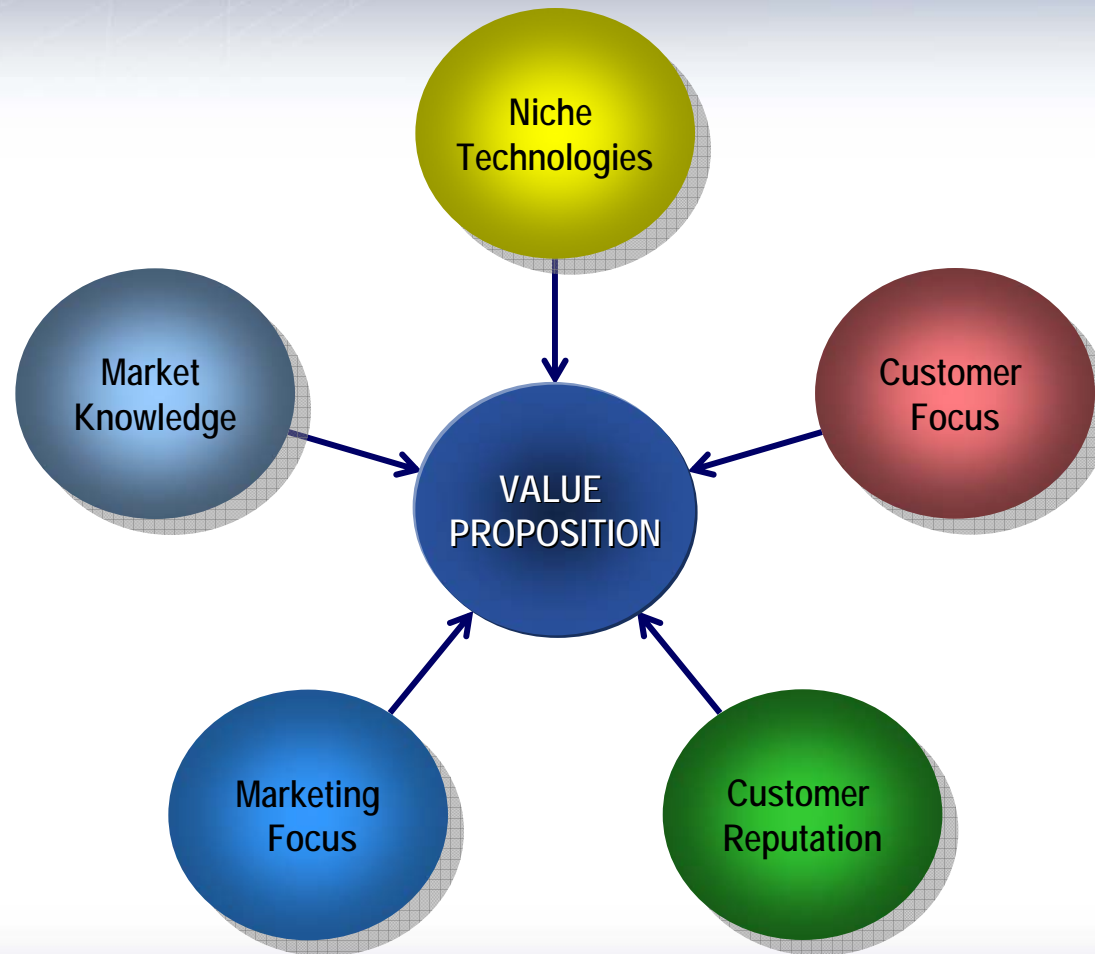
DIFFERENTIATING YOUR BUSINESS AND GETTING A PRIME'S ATTENTION

A Good Small Business Partner Considerations



- Core capabilities and past performance
- Price
- Personnel experience
- Resource availability and HR stability
- Location
- Financial solvency
- Reputation
- Organizational conflict of interest (OCI)
- Dependable, a team player, and responsive
- Easy to work with on projects
- Follow-through and follow-up!

How Can You Add Value?





MARKETING IN THE U.S. GOVERNMENT SECTOR

Federal Sector Marketing



- Business and marketing plans
- Market research
- Network through conferences and professional associations
- Develop core of trusted teaming partners (SB and LBs)
- Attend training
- Knowledge of U.S. government contracting
- Government purchase cards
- Line of credit
- CAGE Code, Dun and Bradstreet, and NAICS
- Databases: CCR, DSBS (Pronet), ORCA, etc.

Do Your Homework First!



Focus, Focus, Focus!

Differentiating Yourself

Know Customers



- Understand potential customers:
 - Purchasing history, price
 - Cost sensitivity
 - Budget for **your** product or service
 - Problems – help them solve!
 - Desire to solve the problem – do they have \$?
 - Desire to work with your company – do they need you?
- Past and future buying requirements
- Procurement forecasts
- Main primes
- Major competitors

Develop a clear roadmap of where you want to go and how you will get there

Capture Planning

Develop Specific Opportunities



- Develop a **contact** plan
 - **What** issues for discussion
 - **Where** is the information
 - **When** should we get the information
 - **Why** talk with specific people
- Make **contacts**
 - **Listen** to prospective customers
 - Develop a **trust** relationship with customer
- Gather **information**
 - Incumbent strengths and weaknesses
 - Grow trusted relationship with the customer
 - Customer priorities
 - Funding sources
- **Plan**
 - When to show how you will solve a customer's problem
 - Strategic and contingency hires
- Gather other **data**
 - Competitor analysis
 - Cost estimates
 - Win theme



Don't sell capabilities –
uncover customer problems and opportunities,
then offer solutions!



CALLING ON PRIMES AND SUCCESSFUL TEAMING

Calling on Primes



- Opportunity-driven approach
- Research first!
 - Check company web sites
 - Talk to contacts
 - Read the government and technology journals
 - Know “hot buttons”
- Prepare “elevator” speech but cater it to organization and/or company
- Prove real interest
 - **Follow-through on actions and requests!**
 - Be responsive
 - Show enthusiasm!

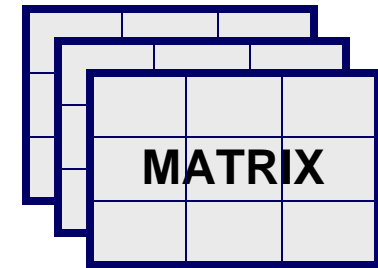
Do your homework first!



Teaming



- Timing – as early as possible!
- **Read the RFP** first, if available (or know what the real opportunity is about)
- RFP requirement and your fit – tell us:
 - Related niche or capability areas
 - Related past experience
 - Customer knowledge and experience
 - Why your company?
 - Why Anteon?
- Make sure you are registered with Anteon
 - Go to www.anteon.com – About Us – Small Business
- Have a **non-disclosure agreement (NDA)** before discussion details
- You need a **teaming agreement (TA)** to be on a team



Successful Small Businesses*



Four major themes for successful small businesses:

1. Do their **homework**
 - On customers, their mission, budgets, etc.
2. Participate in **outreach and networking** events
 - Selectively, based on market focus
3. Understand the **federal procurement** system
 - Understand, contracting, IDIQs, standalone contracts, etc.
4. Understand **concept of teaming**
 - Joint ventures, teaming arrangements, prime/sub, mentor-protégé relationships, etc.

* Kevin Boshears, OSDBU Director, DHS

Teaming Partners

Key Attributes



- Washington Technology, 13 December 2004, advertising supplement in *Building Better Government Through Trusted Partnerships*
- 390 solution providers – key attributes when considering a partner for a government contract:

PARTNER	VERY IMPORTANT	IMPORTANT	TOTAL
Previous work with solution provider	39.2	37.4	76.6
Relationships with targeted government agency	58.5	26.9	85.4
Sought-after technical expertise	56.4	30	86.4
Meets SB requirements	21	33.1	54.1
Provides niche technologies	29.5	38.7	68.2



The real key to teaming....

Be proactive in your marketing efforts!

Do your homework!

Conclusion



- It's hard work
- Work smart – focus, focus, **focus**
- Understand Government business, contracting and rules of engagement
- Understand needs then discuss solutions, not capabilities
- Understand primes processes, tools and interests
- Develop an opportunity-driven approach
- **The five Ps:**
 - **Plan** your strategy and approach
 - **Prepare** to implement your action plan
 - Stay **persistent** in your efforts
 - Remain **patient** with time
 - Practice **proactive** marketing
- **Prior Planning Prevents Poor Performance**

And don't forget to have fun along the way!

Contact Information



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Market Research Analyst,
Small Business
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BECAUSE IT'S A MATTER OF NATIONAL SECURITY

THANKS!

NATIONAL SMALL BUSINESS CONFERENCE

Meeting DoD/DHS Mission Needs in the 21st Century

Breakout Session B

Special Government Topics

Moderated by

Ron Perlman

Buchanan Ingersoll PC
ATTORNEYS

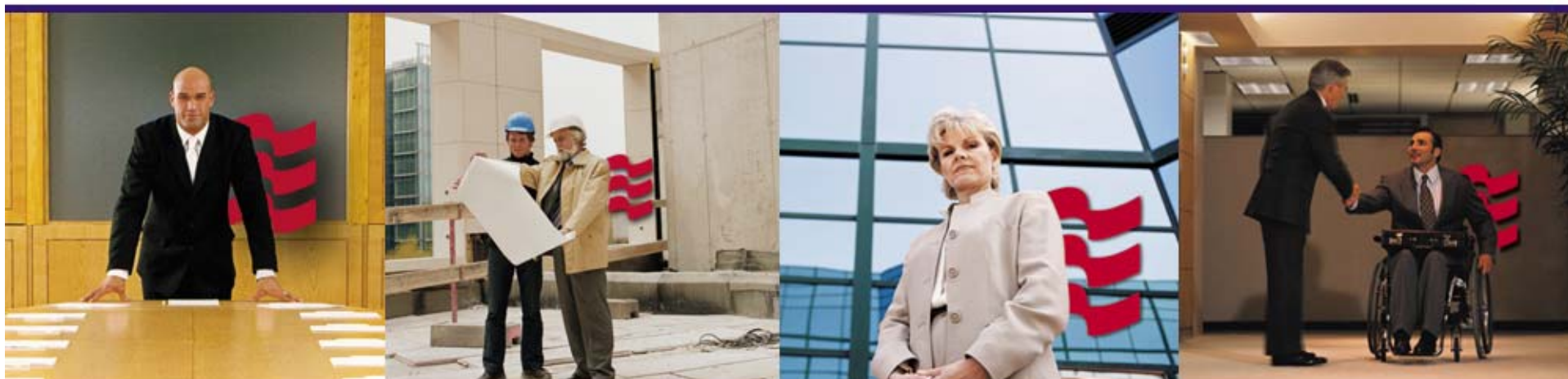
Pennsylvania :: New York :: Washington, DC :: Florida :: New Jersey :: Delaware :: California

Breakout Session B: Special Government Topics
Moderator: Ron Perlman, Buchanan Ingersoll

1:30 - 2:15 pm	Charlie Summers, Jr., SBA Regional Administrator, U.S. Small Business Association
2:15 - 3:00 pm	Ralph Thomas, III, NASA and Private Practice Former Asst. Administrator, NASA, Small & Disadvantaged Business Utilization, now Special Counsel to the Government Contracts Section of Buchanan Ingersoll
3:00 - 3:30 pm	- Afternoon Break in the Display Area -
3:30 - 4:00 pm	Illene Waggoner, DHS Small Business Advocate, Office of Small & Disadvantaged Business Utilization, DHS
4:00 - 4:30 pm	Rich Ramirez, VA Senior Business Advisor, Center for Veterans Enterprise (COVE), US Department of Veterans Affairs
4:30 - 5:00 pm	"What Strategic and Financial Buyers Seek When Acquiring Small Business" Nick Howland , Associate, DFI International Matt Altman , Principal, Arlington Capital Partners



VETERANS IN BUSINESS-STILL SERVING AMERICA



**National Small Business Conference
Newport, RI
May 8-10, 2006**



US DEPARTMENT OF VETERAN AFFAIRS ★ CENTER FOR VETERANS ENTERPRISE

Legal Background

- PL 106-50 Veterans Entrepreneurship and Small Business Development Act of 1999 (August 1999)
 - Created comprehensive program of management, technical, and financial assistance for entrepreneurial veterans
 - Established Federal prime and subcontracting goals
- PL 108-183 Veterans Benefits Act of 2003 (December 2003)
 - SDVOSB Set-Aside Authority
 - Rule of 2 for competitive set-asides; fair price; no dollar ceiling
 - Less than 2 – noncompetitive awards up to \$3M/services; \$5M/mfg
 - Final Rule Effective March 23, 2005



Executive Order (1)

□ President signed October 20, 2004

- More effectively support 3% goal AND use set-aside authority
- All Agencies shall:
 - Develop a formal strategy and make it publicly available
 - Annually report implementation actions to SBA
 - Designate a Senior Level Responsible Official
 - Measure key executive's performance as "significant element"



Executive Order (2)

☐ **SBA shall:**

- ☐ Coordinate with VA Center for Veterans Enterprise
- ☐ Advise Agencies about Implementing Order
- ☐ Train business owners

☐ **GSA shall:**

- ☐ Establish a Special Contract Schedule for SDVOSBs
- ☐ Help owners with Federal Supply Schedules



Executive Order (3)

- **DoD shall:**

- Train Federal officials

- **VA shall:**

- Assist agencies through CVE support
- Verify the accuracy of contractor databases
- Modify Transition Assistance Program information with Dept of Labor



VA's Implementation Strategy

- Use SDVOSB set-asides
- Encourage SDVOSB's to Market to VA
- Monitor Prime Contractor's numbers
- Training
- Publicize VA needs



SDVOSBs – Tools

- SDVOSB Set-Aside
 - Similar to HUB Zone Set-Asides
 - Competition First
 - When competition absent, direct sourcing
 - \$3M for services; \$5M for manufacturing
- Federal Supply Schedule Competitions
 - GSA E-Library
 - Cannot limit to SDVOSBs at this time



What's Working?

- Program is moving forward quickly
 - Navy spent \$1 Billion in FY 2005 with VOSBs
 - VA spent \$207 Million in Fy 2005 with SDVOSBs
 - Dept of State awarded QSI a \$34 Million contract this FY
- The set-aside is being used
- There is wide spread public support for veterans



What May Be Next

- National Service Eligibility
 - Successor ownership introduced in HR 3082
- Formal Certification
- Universal VOSB Program for all agencies
- Single reporting of prime and subcontract \$\$



CVE - Products

Online VetBiz Vendor Information Pages (VIP)



VETBIZ.gov

Facts about VIP

- **Online Vendor Database**
- **Links to CCR & CA DGS; soon to TVC**
- **Provides a Resource for Steaming Data**
- **Vendor Validates Size & 51% Question**
- **Enables Efficient Annual Notification Process**
- **Provides Rapid Communications with Industry**
- **Recognized by OFPP**



Assistance Program Pages

[Account Login](#)

[Search for Assistance](#)

[Register Your Program](#)

[Update Your Program Profile](#)

[Help](#)

[Contact Us](#)

[Home](#)



Search for Business Assistance:

[Startup](#)

[Financing](#)

[Training](#)

[Procurement](#)

[Business Development](#)

What is an Assistance Program?

An Assistance Program is a service of a government or private organization that offers help to individuals or business owners. This content of this database is outlined in [Section 302](#) of Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999.

[Register Your Program](#)

[Privacy & Security Statement](#) | [Disclaimers](#) | [Accessibility](#) | [Contact VA](#)

Assistance Program Pages is a service of the Department of Veterans Affairs and the Center for Veterans Enterprise.

VETBIZ.gov

Facts about APP

- **Free Online Database of Assistance Programs (24/7)**
- **Search for Programs Geographically**
- **Assistance Categories**
 - **Startup**
 - **Financing**
 - **Training**
 - **Procurement**
 - **Business Development**
- **Integrated into VetBiz.Gov – Federal Veterans Web Portal**
- **Program Information Managed by Account Holders**



Other CVE Products

- **Entrepreneurs' Helpline**
 - **Community Business Resource Referrals**
- **VetBiz Video Showcases**
- **Free Market Research Reports**
- **Speakers' Bureau**
- **Corporate Advocates for Veterans Enterprise (CAVE)**
- **Government Advocates for Veterans Enterprise (GAVE)**



All You Need to Know

- <http://www.vetbiz.gov>
- Veterans call tollfree 1-866-584-2344
- Others call (202) 303-3260



Rhode Island (BRAC 2005): “A Value Add for the Navy ”

☑ **BRAC Strategy:**

Advocate and Showcase Naval Station Newport for:

1. Senior Officer Education
2. R&D in Under Sea Warfare Systems
3. RI National Guard assets – (e.g. 143rd Air Lift Wing)

- ☑ The US Department of Defense recognized the military value of its assets located in RI



Rhode Island is Home to America's Intellectual Capital Resource for

- ☑ Naval Undersea Warfare Center (NUWC)
Undersea Warfare Systems RDA/T&E
Submarines, which are critical platforms for:
 - Autonomous Vehicles
 - Undersea & Sea Based Sensor Systems
 - Submarine Warfare Systems
 - Undersea Acoustics
- ☑ Development of the Nation's Strategic and Tactical Naval Maritime Policies
- ☑ Joint Professional Military Education
 - ☑ Naval War College (NWC)
 - ☑ Surface Warfare Officers School (SWOS) Command



Rhode Island: “A Value Add for the Navy”

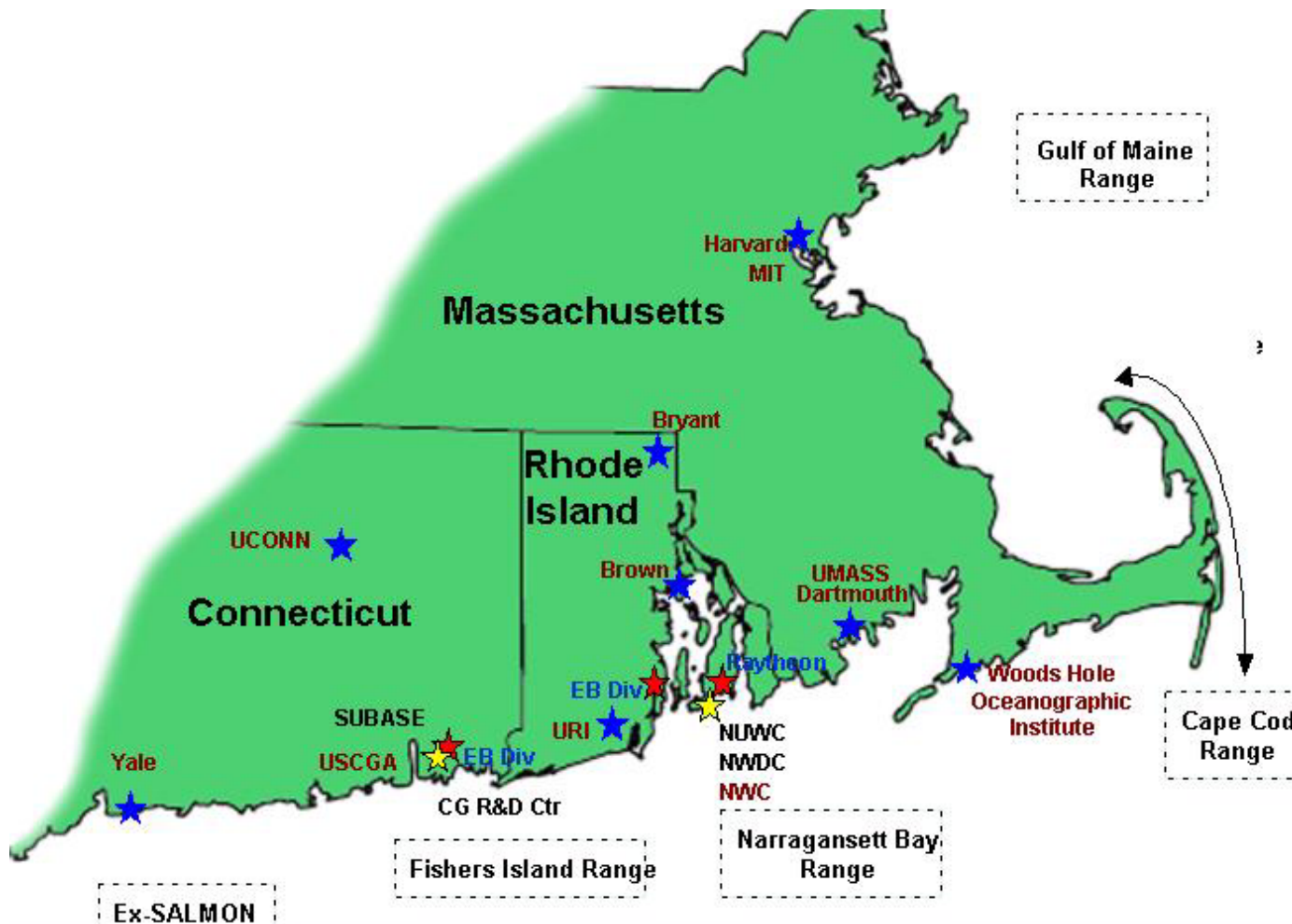
Strategic Location for Mission Capabilities

- ✓ NSN – Education Commands
- ✓ NSN – Central Repository of Undersea Warfare Systems Knowledge Base
- ✓ Narragansett Bay for Test & Evaluation
- ✓ Quonset Air Lift and Intermodal Capabilities
- ✓ State of Rhode Island is a Vested Partner
- ✓ Military Value is Second to None
- ✓ Rhode Island/New England is Vitally Important in Maintaining the Nation's Continued Undersea Superiority!

5/15/2006



Nation's Undersea Center of Excellence



- Naval & Coast Guard Facilities
- Major Engineering & Industrial Complexes
- Extensive Technology Companies
- Major Educational Institutions
- Undersea Testing Areas

5/15/2006





Future for RI Defense Industry

- ☑ Annual economic impact of \$1.5B
- ☑ ~20,000 jobs (civilian & military)
- ☑ Hi-skilled, hi-value add jobs
- ☑ Steady growth
- ☑ RI Defense Strategy
 1. Continue to reduce NSN operating costs (e.g. solid waste, electricity, water, energy)
 2. Outreach and showcase existing business capabilities
 3. Electric Boat - 2 subs/year in 2009
 4. Raytheon – DD(X) combat systems
 5. Center of Excellence in Undersea Technology w/URI and Industry





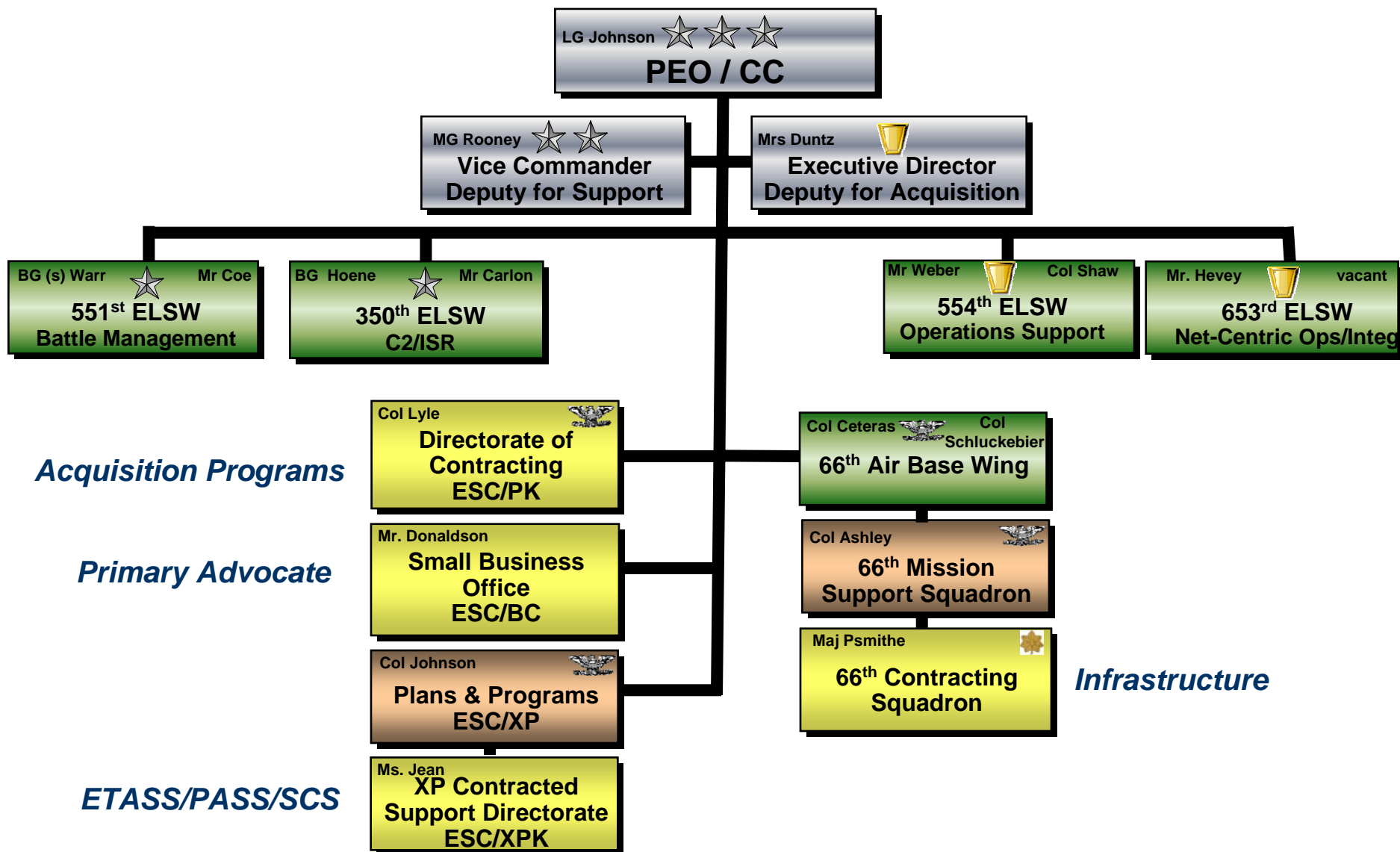
NDIA Small Business Conference Commanders' Panel



***Maj Gen Arthur J. Rooney, Jr.
ESC Vice Commander***



ESC Organized for Success... Ready for the Future!





ESC Programs



E-3 Sentry AWACS



E-8C Joint STARS



Air & Space Operations Center



Distributed Common Ground System

Multi-Sensor C2 Aircraft



Force Protection



Combatant Commander Integrated C2 System

Advanced Remote Ground Unattended Sensor

Mission Planning

Global Air Traffic Control

PAVE PAWS



ESC Global Customer Base

Australian Broadcast Intelligence (ABI)

NATO AWACS

Taiwan SRP

Pakistan Air Force Radar

Royal Saudi Air Force C4I

Turkey Peace Eagle



Hanscom's Economic Impact On New England (2004)



Total Estimated Economic Impact: \$4B

- 10th Largest Business Employer in MA
 - Primary Hanscom Jobs: 5,705
 - Secondary Jobs Created: 9,889
 - Total Estimated Jobs: 20,174
- Contract Awards
 - MA Businesses and Universities: \$795M
 - Construction, Materials, Equipment, Supplies: \$612M
- Total Payroll--Hanscom Complex: \$617M



Small Businesses are *Critical* to 66 Air Base Wing Success



- During the past 12 months ABW Operational Contracting has awarded:
 - 152 contracts & funding mods (\$30 Million)
 - 92 of them went to Small Businesses (\$10 Million)
 - 60% of contracts awarded to SBs
 - 33% of contract \$ awarded to SBs
- Small businesses are critical to the success of Hanscom AFB and its support of the Electronic Systems Center warfighting acquisition mission
- See www.fedbizopps.gov for daily opportunities



U.S. AIR FORCE

Small Business Prime Contract



- **Examples of More Prominent Small Business Contracts:**

Cursor on Target Router

Training Support

Medical Support (Dental)

Electromagnetic Interference Study

Logistics Warehouse Support ASOC

Cryptographic Modernization Study

Pocket-J System

Link 16 Alaska Program

Health & Fitness Instruction

Air Conditioning Systems

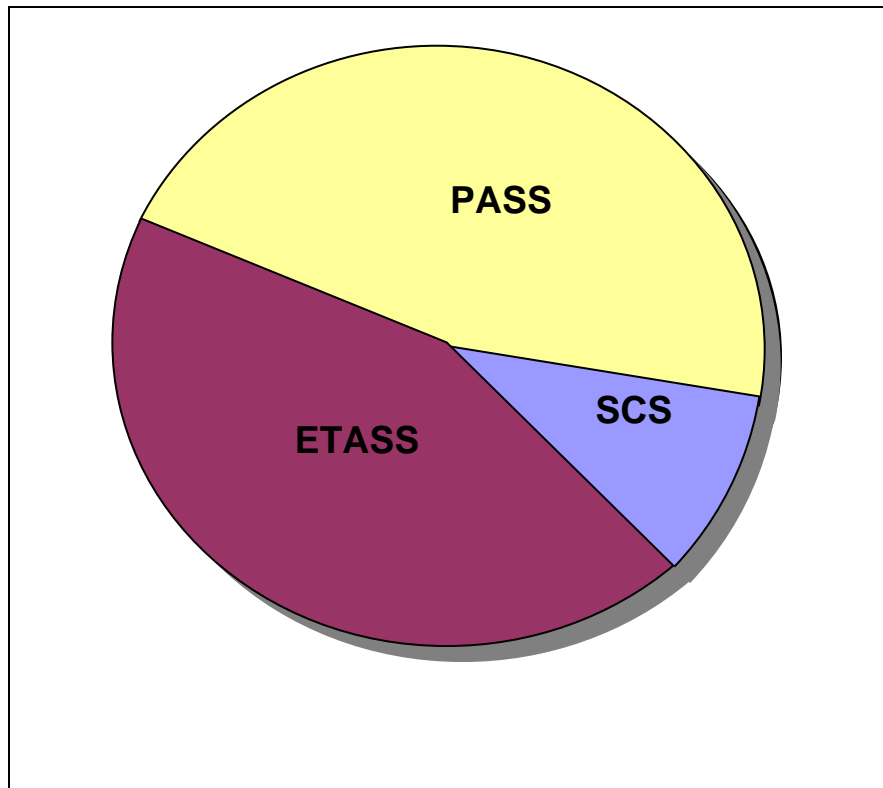
Various ASOC Hardware

- **Contracts awarded Small Disadvantaged Contractors**

- **ESC's Total Small Business Prime Contracts totaled over \$26M for FY05**



ESC Advisory & Assistance Services



**ETASS/PASS/SCS will impact
35-40% of ESC's current workforce
and 100% of ESC's programs**

- **Professional Acquisition Support Services (PASS)**
 - \$800M / 5yr POP
 - 4 Awards
 - 100% Small Business Set Aside
- **Engineering Technical Assistance Services (ETASS)**
 - \$480M / 3yr POP
 - 1 Award
 - Full & Open Competition
- **Specialized Cost Services (SCS)**
 - \$80M / 4yr POP
 - 2 Awards
 - 100% Small Business Set Aside



Policies Impacting Air Force



- Program Budget Decision 720
 - "Air Force Transformation Flight Plan"
 - Air Force "more lethal, more agile, streamlined force with an increased emphasis on the warfighter"
 - Realigns more than \$21B between 2007 & 2011
- AFSO 21
 - Continuous Process Improvement
- BRAC
 - Air Force Research Laboratory
 - Realignment and consolidation to provide greater synergy across technical disciplines and functions

No One Comes Close



Building Shareholder Value for Successful Exit



Paul Serotkin, Minuteman Ventures LLC
May 9, 2006

Minuteman Ventures LLC

Boston • Washington • Huntsville • Dayton • Patuxent River • Colorado Springs

Minuteman Ventures LLC-Overview

- Mergers & Acquisitions (M&A) transaction advisory services firm
- Focus: aerospace, federal, defense, intelligence and homeland security markets
- Represent:
 - Smaller/mid-tier companies for sale
 - Mid-tier acquirers
- Principals: Senior executives who led M&A function at defense/federal contractors
- Team:
 - Nationally based at strategic defense locations
 - Former owners, CEOs, and senior executives in founder-led and larger companies, all with federal/defense sector background

Today's Topics

- Defense M&A Market Dynamics
 - M&A Drivers
- M&A Valuation
 - Metrics
 - Factors
- M&A Process
- Preparing for Sale

Defense Sector M&A Market Dynamics (1)

- Workforce:
 - Outsourcing accelerates
 - Aging federal employee base
- Contracts:
 - GWAC/GSA to agency-specific versions
- Technology:
 - Enterprise driven
 - Modernization and Sustainment
 - Net enabled, network-centric
- Consolidation
 - OCI - Conflict-driven opportunities

Defense Sector M&A Market Dynamics (2)

- Government Funding:
 - Accelerated budgets for intel, GWOT, Homeland Security
 - Growing IT budgets
 - Takeaway strategy from slowed overall DoD budgets
- Programs:
 - Shift from platforms to IT, O&M
 - Technology capture/transfer from smaller company to larger businesses
- Strong Capital Market Response to Budget Flows:
 - IPO Activity, particularly in IT services
 - Private equity active in defense, homeland security markets
 - New financing mechanisms – SPACs
- Macro:
 - Market fragmentation
 - Reasonably price cost of capital

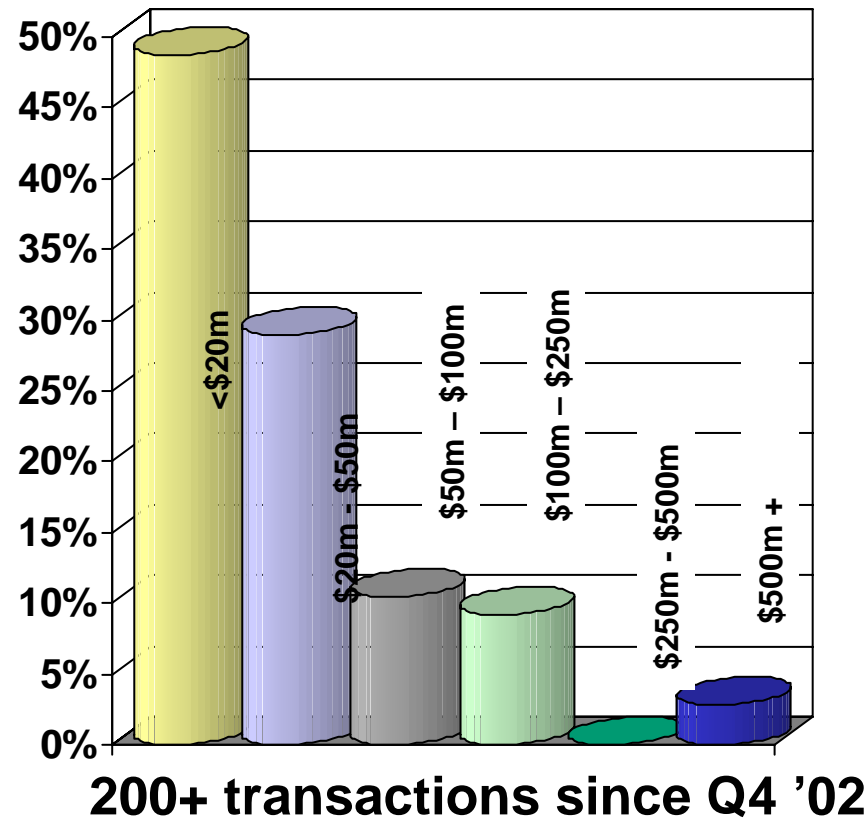
Representative Defense Sector M&A Transactions – March 2006

Defense M&A Transaction by Segment:

- Space/Satellites – 3
- Manufacturing – 5
- MRO – 2
- Components/subsystems – 8
- Software - 1
- Telecom – 1
- Sensors/Technology Equipment – 5
- System Integration/Engineering – 3
- IT Services/Consulting – 5

Total: 33

Defense/Federal M&A Market: Seller Transaction Profile (Services)



Defense M&A Valuation: Size Matters

Target Revenue	Transaction Value
Under \$20 million	4-6x EBITDA
\$20-50 million	6-8x EBITDA
\$50-100 million	8-10+x EBITDA

How is Value Determined

- Valuation tools buyers use
 - M&A Market comparables (adjusted for size, liquidity)
 - Public company comparables (adjusted for size, liquidity)
 - Discounted Cash flow (company projections)
 - Make v. buy analysis
- Always Company-specific
 - Price is based on investment value – what you must receive to justify giving up cash flows
- Timing is Critical
 - Best when owner(s), company and market interests are aligned

The 'Value Table' – 10 Leading Factors in Determining Value for Privately held Defense Companies

1. Contract Alignment with Critical Missions	Weak Alignment	-	1
	Strong Alignment	-	10
2. Cleared Employees	0-20% Employees Cleared	-	1
	20-60% Cleared		
	60% or Over Cleared	-	10
3. Recaptured Business	0-20% Recompete Revenue	-	1
	20-50% Recompete		
	50% or Over Recompete	-	10
4. Prime Contract Awards	0-20% Prime Contract Revenue	-	1
	20-70% Prime		
	70% or Over Prime	-	10
5. Small Business Set Aside (SBSA) Awards	70-100% SBSA Revenue	-	1
	30-70% SBSA		
	30% or Under SBSA	-	10

The 'Value Table' – 10 Leading Factors in Determining Firm Value in the Defense/Federal Sector (cont'd)

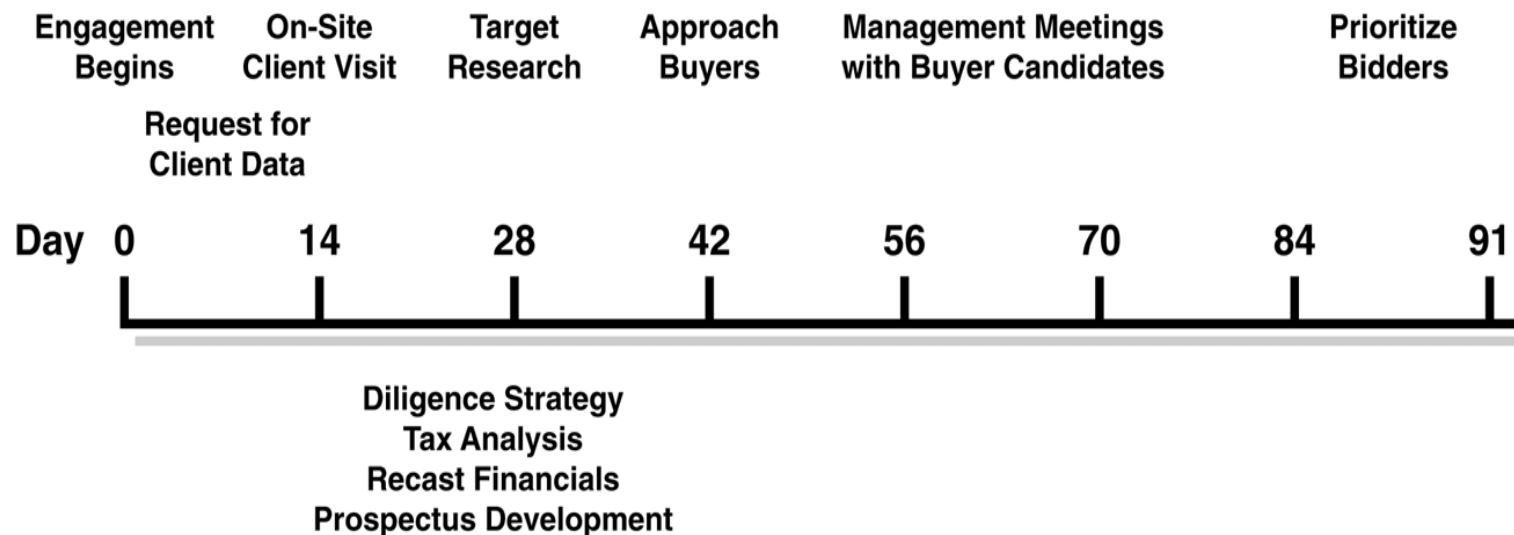
6. Time in Business	1-3 years	-	1
	4-6 years		
	7-10 years	-	10
7. Contract Concentration	60%+ revenue from 1 contract	-	1
	25-60%		
	less than 25%	-	10
8. 8a Revenue	50-100% rev. from 8(a)	-	1
	15-50% from 8(a)		
	Less than 15% from 8(a)	-	10
9. Competent Management	Lightly regarded management	-	1
	Highly regarded management	-	10
10. Sustained Revenue Growth	0-7% compounded ann. rev. growth	-	1
	8-15% growth		
	15%+ growth	-	10

Owner Options for Liquidity

- Employee Stock Ownership Plan (ESOP)
- ✓ Sale of entire company to third party
- Private equity investment (partial sale)
- Buy from/sell to other shareholders
- Family transfer

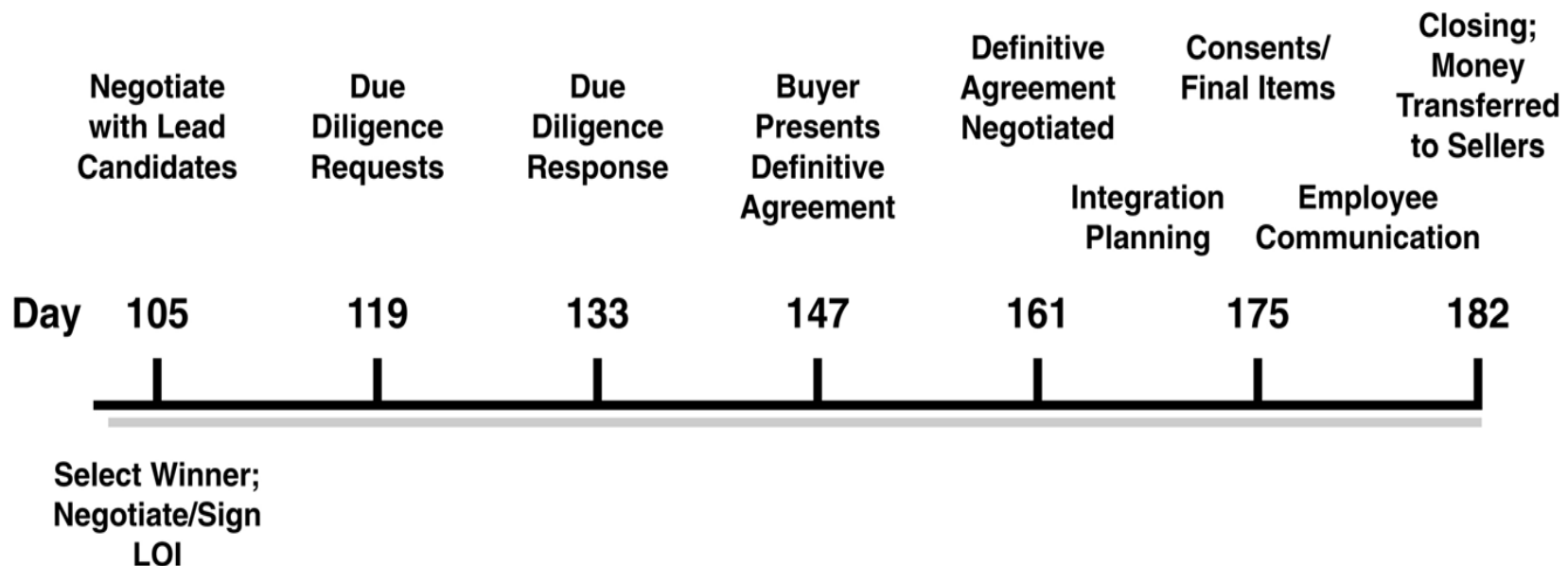
Optimizing M&A Success

Planning and Process Are Key to a Successful Transaction



Optimizing M&A Success

Planning and Process Are Key to a Successful Transaction (continued)



Preparing for Sale: The Readiness Cycle

Advanced Planning (in advance of 'formal' selling campaign)

- Auditor review of financial statements
- Current on obligations
- A/R in order
- Contract transition strategy set
- Equity allocation certain/estate planning in order
- Contract cycle timing

M&A Process Readiness (once 'formal' selling campaign commences)

- Recast financials
- Tax options at sale spelled out
- Acquisition attorney lined up
- Dedicated internal resources
- Customer communication
- Post-transaction owner position specified

Readying the M&A Team

- Internal Company Resources
 - Diligence requests
 - Cataloguing/managing data flows
 - Operating to plan during process
- Attorney
 - Corporate documents review
 - Purchase agreement negotiation
- Accountant/Tax Advisors
 - Year-end/mid-year financial statements
 - Analyzing tax impacts to shareholders
- M&A Advisors
 - Capture manager role :
 - Positioning company for sale/drafting prospectus
 - Valuation
 - Inducing bids/prioritizing bidders
 - Transaction negotiation

Thank You

- Q&A

Paul Serotkin

President

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Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program

Tim Sharp

SBIR Program Manager

Homeland Security Advanced Research Projects Agency

Science and Technology Directorate

May 2006



**Homeland
Security**

Research Areas

- Chemical
- Biological
- Radiological (DNDO)
- Nuclear (DNDO)
- High Explosives
- Cyber Security
- Emergency Preparedness and Response
- Borders and Transportation Security



**Homeland
Security**

SBIR/STTR Participating Agencies

(\$2.5B FY 06)

- DOD SBIR/STTR
- HHS SBIR/STTR
- NASA SBIR/STTR
- DOE SBIR/STTR
- NSF SBIR/STTR
- **DHS SBIR/STTR**
- USDA SBIR
- DOC SBIR
- EPA SBIR
- DOT SBIR
- ED SBIR

FY04 SBIR \$19.6M

FY05 SBIR \$ 23 M

FY06 SBIR \$ 27 M

FY06 STTR \$ 3 M



**Homeland
Security**

DHS S&T SBIR Strategy

- Engage all S&T portfolios and programs
- Design topics with:
 - Medium width topics (not point solutions, not open topics)
 - Near term commercialization potential
- Award multiple Phase I's and II's
- Reduce or eliminate the gap between Phase I and II
- Active involvement to reach Phase III
 - Encourage teaming and collaboration
 - Involve ultimate user

DHS S&T SBIR Program

- Two solicitations per year
 - Published in FedBizOpps and www.hsarpasbir.com
 - 30 day posting and 30 day proposal period
 - ~6 topics per solicitation
- Awards
 - Multiple contract awards based on evaluation, funds available and programmatic considerations
 - ~30 Phase I's and ~10 Phase II's per solicitation
- Electronic Processing
 - Proposals submitted/evaluated via our website
 - Electronic notification of proposal receipt/results
 - Submission of reports via website



**Homeland
Security**

SBIR/STTR – A Three Phase Program

- Phase I – Scientific and Technical Feasibility
 - SBIR - NTE 6 months and \$100K
 - STTR – NTE 12 months and \$100K
- Phase II – Concept Development
 - NTE 24 months and \$750K
- Phase III – Product Development
 - Private or non-SBIR government funding

For Domestic Nuclear Detection Office topics, limits are \$150K (I) and \$1M (II) in FY06 (06.1-0010)



**Homeland
Security**

HSARPA Evaluation Process

- Evaluators determine if the proposal is appropriate and **relevant** to the topic area and if the proposed research is **unique**
- Each proposal evaluated on its merit and relevance to the specific SBIR topic area rather than against other proposals
- Evaluators use a point scoring system
 - Maximum of twenty points or a minimum of zero points per proposal



HSARPA Evaluation Criteria

- The soundness, technical merit, and innovation of the proposed approach and its incremental progress toward topic or subtopic solution.
- The qualifications of the proposed principal investigators, supporting staff, and consultants. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.
- The potential for commercial (Government or private sector) application and the benefits expected to accrue from this commercialization.

Phase I	Phase II
10	10
6	4
4	6
20	20



**Homeland
Security**

HSARPA Evaluation Process (cont.)

- Evaluators use the following ratings:



- Highest Priority (20 points)

Strongly Recommended for Funding

- High priority (18-19 points)

Recommended for Funding

- Priority (16-17 points)

Fund Availability

- Selectable (13-15 points)

Fund Availability



- Not Selectable (0-12 points)

Not Recommended for Funding

Technical merit essentially equal, tie breaker is **cost** to the government or length of **schedule**



**Homeland
Security**

HSARPA SBIR Statistics

	FY04 \$19M		FY05 \$23M		FY06 \$27M	
Solicitation	4.1	4.2	5.1	5.2	6.1	6.2
Topics	8	6	6	6		
Phase I Proposal	368	157	215	208		
Phase I Awards	66	31	32	30		
Phase II	21	13	11			
Cost-Match	2					

Award Average

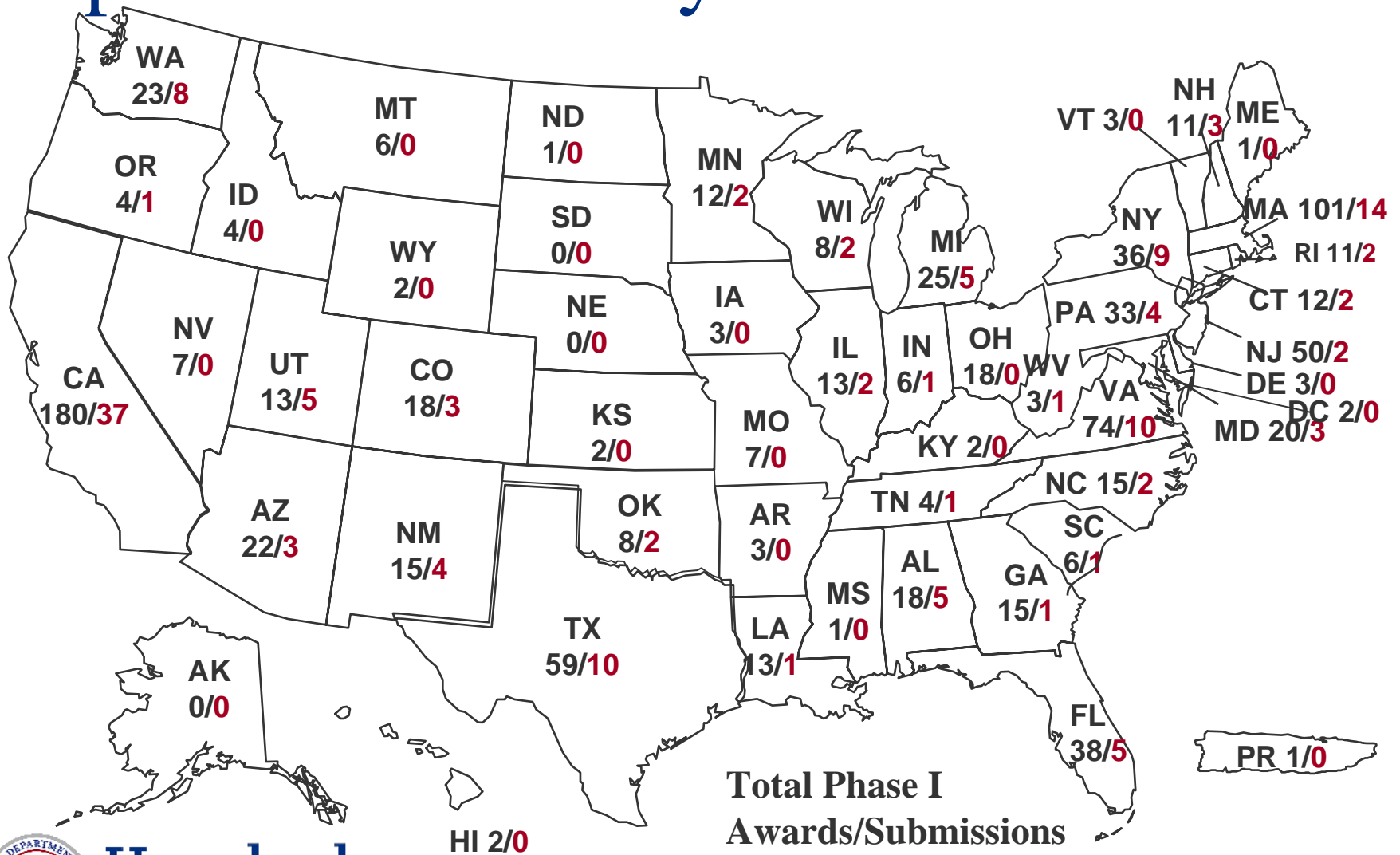
Phase I 17 %

Phase II 28 %



**Homeland
Security**

Proposals/Awards by State



**Total Phase I
Awards/Submissions
948/159**



**Homeland
Security**

“Jump-Start” to Phase II

- Invitation (at the discretion of HSARPA PM) to submit Phase II proposal before the completion of Phase I
- Only for meritorious Phase I's with clear potential for Phase II
- Invitation basis:
 - Performance toward Phase I technical objectives
 - Monthly and/or final reports
 - Site visits
 - Plans for Phase II
- Invitation no earlier than 2/3 of period of performance
(ex. Invite in 4th month of 6 month effort)
- Phase II proposals evaluated and awarded incrementally
- Decreases/eliminates funding gap between phases
- Accelerates development of technology



**Homeland
Security**

“Jump Start” Statistics

	FY04 \$19M		FY05 \$23M	
Solicitation	4.1	4.2	5.1	5.2
Phase II Invite	30	18	17	
Phase II Select	21	13	11	
Pre-Contract	10	10		
Cost-Match	2	1		
Phase III	1			

Phase II award Average
69 %



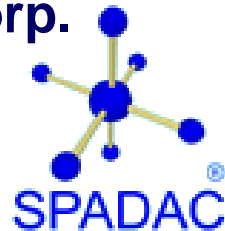
**Homeland
Security**

Cost Matching (Fast Track)

- Allows SB's to seek additional funding from non-SBIR sources
- Matched by HSARPA SBIR up to \$250K in a 1:2 ratio
- Minimum of \$100K to maximum of \$500K of outside funding
- Example: \$500K of outside funding may generate an additional \$250K - total HSARPA funding \$1.0M and total effort \$1.5M
- Additional funds require additional scope – so either added R&D on SBIR contract or other development and commercialization activities (or some of both)
- Cost match is a motivator for, and an indicator of, commercial potential

DHS SBIR Success Stories

Spatial Data Analytics Corp.
Vienna VA



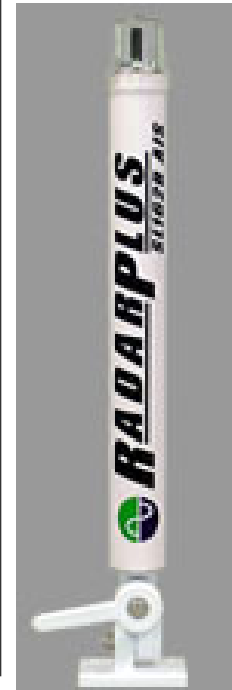
Concurrent Phase II and III periods of performance

A multilayer analysis of critical U.S. infrastructure and terrorist threats will predict potential events

Phase II continues model development

Phase III deploys model to DHS Information Analysis & Infrastructure Protection

Shine Micro, Inc.
Port Ludlow, WA



Phase II results in a Phase I and adding additional Phase II tasks

Our first Phase II award will produce production units

A low cost Class B Automatic Identification System (AIS)

Maritime tracking of small vessels with the ability to see and transmit vital information to port security, law enforcement and other vessels

RadarPlus SL 162B
Class B AIS Transponder



Zone Risk Assessment & Prediction

Determining high risk geographic areas for terrorist attack

Objective:

- **Identify Risk & Vulnerability Geographic Patterns**

- Example: Hamas suicide bombings from Tel Aviv & Netanya

- **Transfer Risk & Vulnerability Patterns**

- To Jerusalem
- To Washington, DC

- **Force Multiplier**

- Allows decision-makers to test and prioritize the impact of security strategies (physical, sensors & manpower)

How we do this:

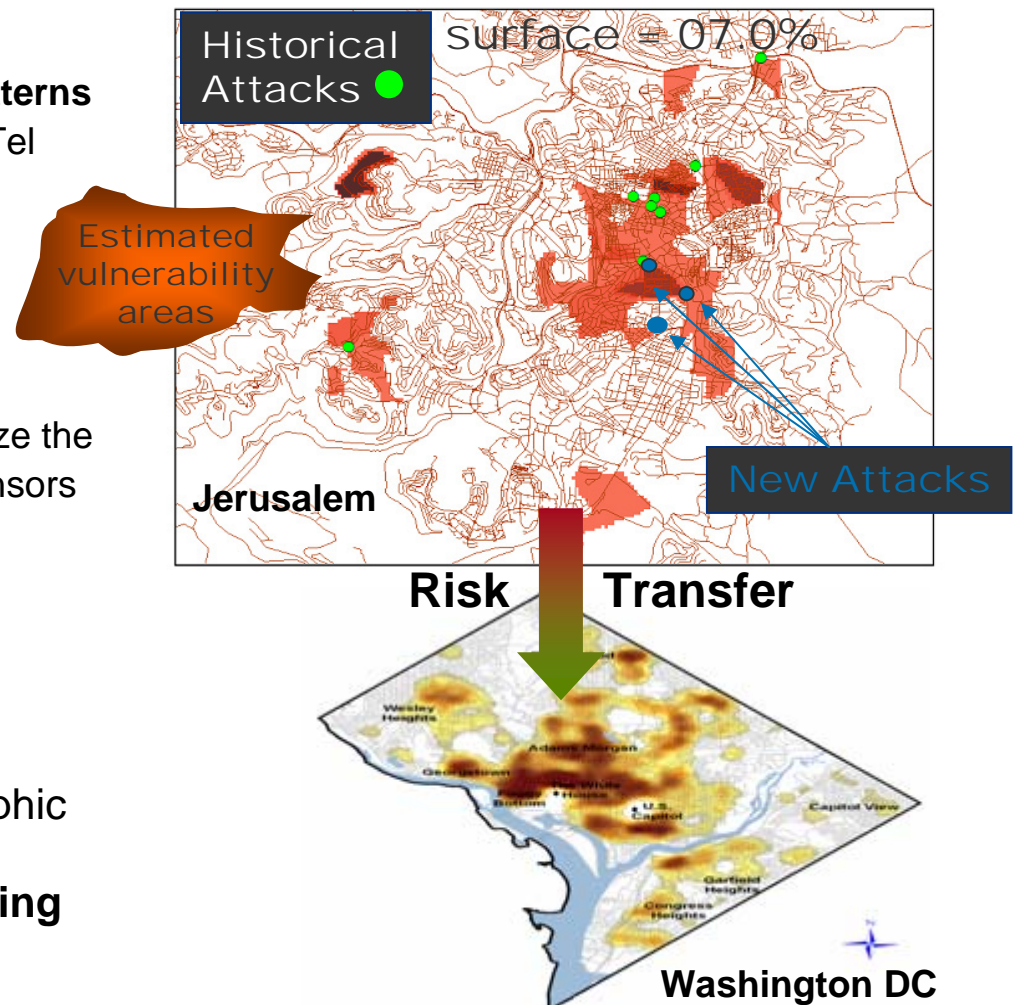
- **Rapid Data Fusion of information**

- Geo-spatial
- Infrastructure
- Dynamic and static behavior
- Cultural, Political, and Demographic
- Temporal

- **Technology also applicable to predicting illegal border crossings.**



**Homeland
Security**



FY 06 Schedule (tentative)

- 06.1
 - Solicitation posted 10 Feb 06
 - Proposals accepted 10 March 06 – 10 April 06
 - Contracts awarded May 06
- 06.2
 - Solicitation posted June 06
 - Proposals accepted July 06
 - Contracts awarded September 06



**Homeland
Security**

SBIR 06.1 Topics

- **H-SB05AEROSOL COLLECTION INTO LOW ANALYSIS VOLUMES**
- **RELIABLE PEROXIDE-BASED EXPLOSIVES DETECTION WITH LOW FALSE ALARM RATE**
- **ENHANCED EXPLOSIVE SAMPLE COLLECTION AND/OR PRECONCENTRATION SYSTEMS**
- **SIGNAL PROCESSING FOR A SOUTHERN BORDER SURVEILLANCE SYSTEM**
- **HUMAN DETECTOR FOR CARGO SHIPPING CONTAINERS**
- **INSTANTANEOUS REMOTE SENSING DATA RECEIVING AND PROCESSING FOR EMERGENCY RESPONSE**
- **NETWORK-BASED BOUNDARY CONTROLLERS**
- **BOTNET DETECTION AND MITIGATION**
- **MANAGING MULTI-MEDIA SURVEILLANCE INFORMATION NETWORKS**
- **NON-NUCLEAR SOURCES OR TECHNIQUES TO REPLACE NUCLEAR SOURCES IN COMMERCIAL (NON-MEDICAL) APPLICATIONS (DNDO topic)**



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Security**

HSARPA Index - Microsoft Internet Explorer

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Address <http://www.hsarpasbir.com>

<http://www.DHSsbir.com>

SBIR Home

Whats New

Solicitation Deadlines

SBIR Solicitations

SBIR Awards

Proposal/Award Administration

Proposal Review

Reviewer Opportunities

Collaboration Opportunities

SBIR Contact Information

FAQ

Links

Topic Recommendations

Presentations

Privacy Policy

Homeland Security Advanced Research Projects Agency

SBIR PROGRAM

[Homeland Security](#) | [Science & Technology](#) | [HSARPA BAA](#) | [OSDBU](#) | [SBA](#) | [Contact Us](#) | [Privacy Policy](#) | [Join HSARPA Mailing List](#)

[Invitations to Submit Phase II Proposals](#)

[HSARPA SBIR Announces Second Set of SBIR Awards](#)

Homeland Security Advanced Research Projects Agency SBIR Program

Vision: Make America Safer

The top priority for everything HSARPA does is to enhance the safety and security of America's people, institutions and way of life.

The Department of Homeland Security (DHS), Homeland Security Advanced Research Projects Agency (HSARPA) joined the Small Business Innovation Research (SBIR) program, in December 2003, our goal is to increase the participation of innovative and creative small businesses in Federal Research/Research and Development (R/R&D) programs and challenge industry to bring innovative homeland security solutions to reality.

All Federal agencies with an annual extramural R&D budget exceeding \$100M are required to participate in the SBIR Program. Each fiscal year, not less than 2.5 percent of the annual extramural budget, is reserved for awards to small businesses for R/R&D through a three



Other Funding Opportunities

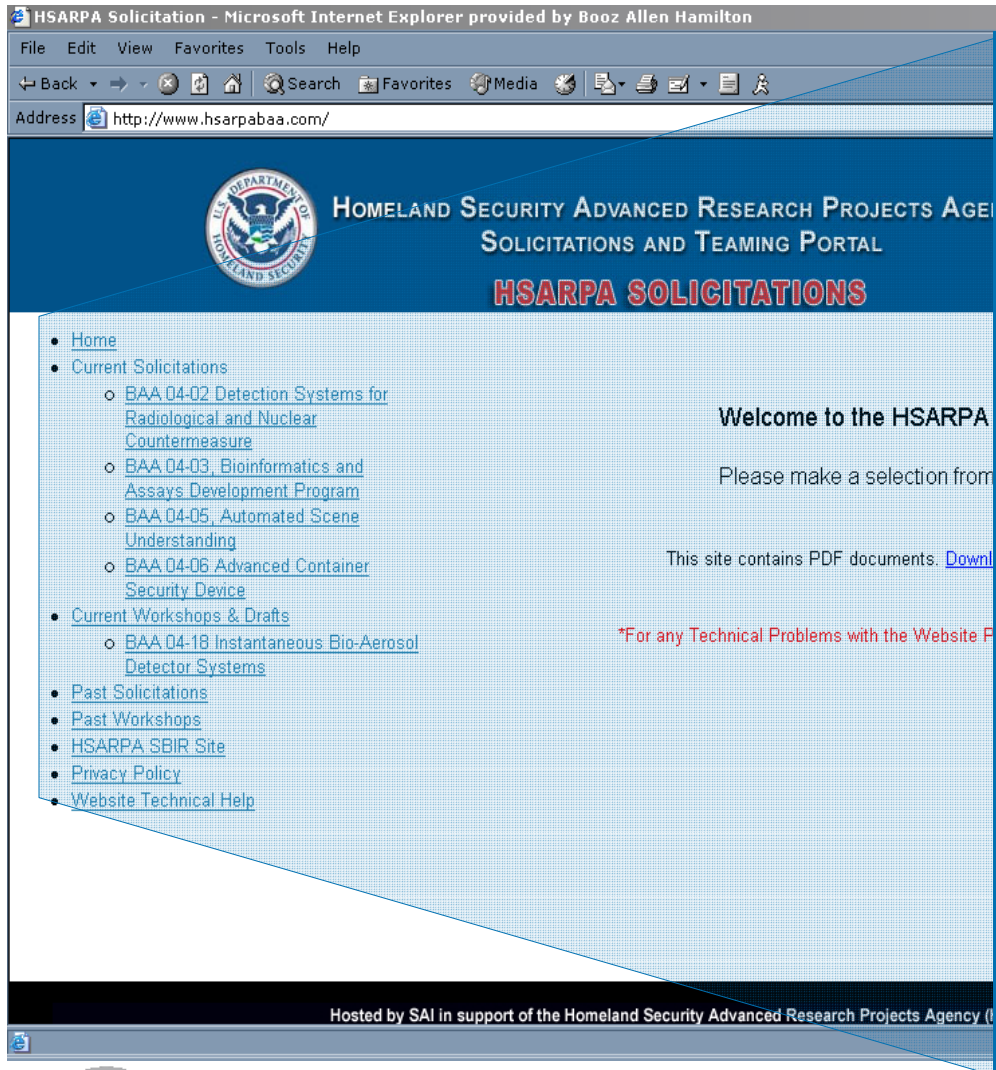
Collaboration Opportunities

Topic Recommendations

start

Inbox - Micro... Per Diem Rat... Per Diem Rat... Mail - Microso... FW: Email for... HSARPA Ind... 10:05 AM

Using the WWW.HSARPABAA.COM Web Site



Home

Current Solicitations

- BAA 04-10 Low Vapor Pressure Chemicals Detection Systems (LVPCDS) Program
- BAA 05-03 Prototypes and Technology for Improvised Explosives Device
- BAA 05-06 Food Biological Agent Detection Sensor (FBADS)

Current Workshops & Drafts

Past Solicitations

Past Workshops

HSARPA SBIR Site

HSARPA Mailing List

Privacy Policy

Website Technical Help



**Homeland
Security**

HSARPA SBIR Team

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- www.dhssbir.com
- www.hsarpasbir.com
- www.hsarpabaa.com
- www.dhs.gov
- www.fedbizopps.gov
- faq@hsarpasbir.com



**Homeland
Security**



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NDIA Small Business Conference

Building Shareholder Value for Successful Exit

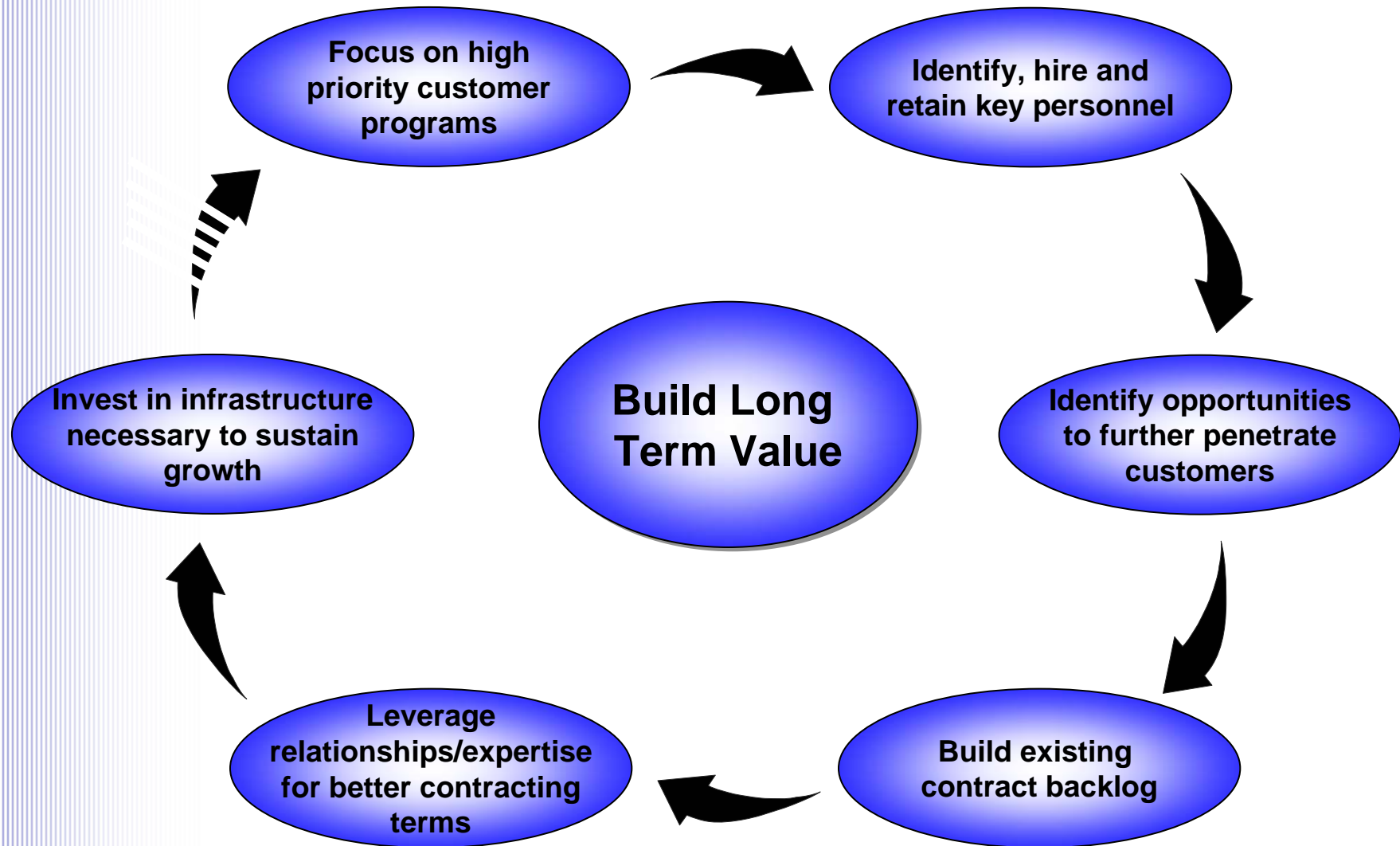
Darrell Smith, Founder & Former CEO

May 9, 2006



OVERVIEW

- Delaware LLC, Founded in April 1998
 - ▶ Founder, Active in Management of Company
 - ▶ Two Passive Investors
- Arlington, VA Offices – Business Nationwide, Metro DC Concentration
- Information Technology/Professional Services Core Competencies
- Key Statistics
 - ▶ 95%+ Federal Government Business
 - ▶ \$22.0MM TTM Revenue
 - ▶ 125+ Employees
- Selected Three Times to the Inc 500 List of Fastest Growing Companies
- Acquired by Anteon Corporation on October 14, 2005





BUSINESS VALUE DRIVERS

- Contract Backlog/Recaptured Business backlog 4 yrs, 70% repeat
- Customer List/Contract Alignment MDA, DISA, FBI, Army IMA
- Prime vs Subcontract Business 82% prime, 98% T&M
- Set Aside Business 0%
- Sustained Revenue Growth 77% CAGR
- Profit Margins >12%, top decile
- Cleared Employees 72% Secret, 17% TS
- Contract Concentration 67% MDA (three offices)
- Competent Management COO, Division VPs, G&A Mgrs
- Time in Business 7½ years



M&A PROCESS VALUE DRIVERS

- | | |
|-----------------------------------|---------------------------------|
| ● Prospectus/Presentation | clear statement of strengths |
| ● Outside Team of Advisors | M&A, legal, acctg/tax |
| ● Internal Resource Availability | small, high level team |
| ● Due Diligence Information | electronic, indexed, done early |
| ● Management of Data Flow | single focal point for all info |
| ● Volume of Issues | minimal number, disclosed |
| ● Reliability of Accounting | audits, cost incurred results |
| ● Confidentiality of Process | customers and employees |
| ● Operating to Plan | separate team from acq team |
| ● Post Transaction Owner Position | clear position |



ACQUISITION TIMELINE

- Informal Valuation Research Apr 2005
- Selection of Outside M&A Team May 2005
- M&A Advisor Engaged – Process Started Jun 6, 2005
- Prospectus/Presentation Developed Jul 8, 2005
- Presentations to Interested Companies Jul 11-20, 2005
- Offers Evaluated Jul 24 - Aug 3, 2005
- Letter of Intent with Anteon Accepted Aug 5, 2005
- Due Diligence & Purchase Agreement Aug 12 - Oct 12, 2005
- Closing Oct 14, 2005

- **Acquisition Process of Just Over 120 Days**



Q&A

Darrell Smith

CEO, HCS Systems LLC

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703-217-8691



Embracing Business Development: Marketing Your Company in the Federal Marketplace

Ameeta Soni
VP, Marketing & Business Development
VFA, Inc.

About VFA

- Leading provider of software and services for facilities capital planning and management
- Enables clients to optimize investments in facilities and infrastructure
- Almost 300 clients in education; federal, state and local government; healthcare and corporate markets



VFA Capital Planning & Management Solution

Facility Assessments



Capital Planning Software



Business Process Consulting

- Facility condition
- Systems lifecycle
- Functional adequacy
- Inventory collection
- Facility security
- Energy efficiency
- Environmental

- VFA.facility® for expert capital planning
- VFA.auditor™ for guided facility evaluations
- AssetFusion™ for application integration
- Hosting & subscription service

- Capital planning process
- Capital project planning
- Decision support analysis
- Database management
- Capital plan presentations

VFA has assessed over 100,000 properties.

VFA software manages over 2 billion square feet of facilities.

The VFA Story

- Spun off from engineering firm in 1998
- Initial focus on education market
- Federal market profile attractive
- GSA first client in federal market
- GSA Schedule opened doors in other agencies
- Today over 15 federal agencies are clients

General Services Administration



U.S. General Services Administration

THE ORGANIZATION

- Largest US public real estate organization
 - 342 million sq. feet across 11 regions
 - 8,000 buildings (owned and leased)

THE CHALLENGE

- Need to meet congressional and GAO requirements and budget expectations
- Out-of-date, inconsistent facilities data
- Need to prioritize projects on building maintenance and renewal list
- How to optimally distribute limited labor and financial resources

SOLUTION

- Deployed Web-based self assessment questionnaire
 - Captured data on 182 million square feet of owned property in 2 months
- Provided a logical, prioritized assessment schedule/process
 - “Draining the swamp”
- Deployed VFA software for more granular look at a buildings condition and requirements

GSA Schedule

- Dominant “contracting vehicle” for small businesses
- Federal buyers prefer to lengthy public bid process
- Cuts down on expensive proposal generation & individual contracts
- Services and software
 - Information Technology (IT)
 - Management, Organizational & Business Improvement Services (MOBIS)
- IT products/services schedule available for state and local use



Schedule
Contract GS-000-00000

Partnering

- Access to contracts
- Leverage relationships
- Improve credibility
- Strengthen competitive edge
- Higher probability of winning contract
 - Provide complementary technology/services
 - Value add to client



Communicating the Message



- Marketing vehicles that work well for reaching the federal market:
 - Marketing events - Seminars, webinars, participation in Federal “industry days”
 - Direct mail - Email, physical mail
 - Public Relations - Bylined articles, speaking opportunities
 - Directory listings
- Supported by:
 - Web site - Copy, demos, white paper offers
 - Sales collateral

Tricks of the Trade

- Central Contractor Registration
- Access to RFP services
 - FedBizOpps
 - Onvia, Input
 - Critical to have right keywords and classification
- Security Clearances



Select VFA Federal Government Clients



FEMA



NAVY MEDICINE
World Class Care...Anytime, Anywhere

Berkeley Lab

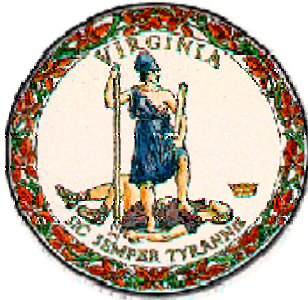


ARMY MEDICINE
CARING BEYOND THE CALL OF DUTY



- Bonneville Power Administration
- Internal Revenue Service
- Lawrence Berkeley National Laboratory
- National Institutes of Health
- National Oceanic & Atmospheric Administration
- U.S. Army Medical Command
- U.S. Department of Agriculture
- U.S. Federal Emergency Mgmt. Agency
- U.S. Fish and Wildlife Service
- U.S. Food and Drug Administration
- U.S. General Services Administration
- U.S. Navy Bureau of Medicine

Select VFA State Government Clients



- Commonwealth of Virginia
 - Dept. of Corrections
 - Dept. of General Services
- Georgia Building Authority
- State of Louisiana
- State of Missouri
 - Dept. of Administration
 - Dept. of Transportation
- State of New Jersey
 - Dept. of Education
- State of Texas
 - Dept. of Mental Health & Mental Retardation

Embracing Business Development: Marketing Your Company in the Federal Marketplace

Ameeta Soni
VP, Marketing & Business Development
VFA, Inc.
(617) 772-8220, asoni@vfa.com





Small Business Administration Contract Assistance Programs

Presented By

Charles C. Summers, Jr.

Regional Administrator

U.S. Small Business Administration

Region I (New England)

May 9th, 2006

Basis for SBA Procurement Assistance Programs

- Small Business Act is the basis for SBA assistance programs
 - Implements Congressional Policy to aid, counsel, assist & protect the interests of small business concerns
 - Goal of policy is to ensure that a fair proportion of purchases, contracts & subcontracts be placed with small businesses

Small Business Contract Assistance Programs

- Prime Contract Assistance
 - Small business set-aside program
 - Procurement Preference Goaling
 - Size Determination Program
 - Waivers to the Non-Manufacturer Rule
 - Natural Resources Program
 - Certificate of Competency (COC)
- Subcontracting Assistance

Small Business Advocates

- Office of Advocacy
 - Advocates on behalf of small businesses
 - Conducts research to provide small business trends
- SBA Procurement Center Representatives (PCR)
 - Prime Contracting Program Oversight
 - Sean F. Crean
- SBA Commercial Market Representatives (CMR)
 - Subcontracting Program Oversight
 - Arvind A. Patel

Program Delivery

- Program managed by SBA Headquarters
- Delivered through 6 Area Offices
 - Boston/New York
 - Philadelphia
 - Atlanta
 - Chicago
 - Fort Worth
 - San Francisco

Small Business Set-Asides

- Small Business Set-aside - tool to ensure SB participation
 - total or partial
 - CO responsibility, with SBA input
- FAR 19.502-2 (b) specifies “Rule of Two”
- HUBZone/SDVET set-aside has priority over small business set-aside

PCRs

Procurement Center Representatives

- PCRs help ensure that a fair portion of purchases are made with SB
 - represent SBA to major buying activities
 - review proposed acquisitions, including bundled procurements
 - recommend requirements to be set aside for HUBZone, SDVet, 8(a) & SB firms
 - advise agencies & SBs on all SBA programs
 - initiate secretarial appeals

PCRs

- Counsel small businesses
- Review buying activity's SB programs
- Review Subcontracting Plans
- Recommend acquisitions for 8(a) program
- Train agency staff in SB programs
- Speak at procurement conferences

PCRs & Secretarial Appeals

- An appeal is a 3 step appellant process
 - PCR issues a Form 70, "SBA Recommendation" to contracting officer to require a set-aside
 - If CO denies, writes a letter of appeal to the Head of the Contracting Activity (HCA)
 - If HCA denies, PCR forwards to SBA HQ
 - SBA Administrator appeals to the Agency Secretary or Administrator

Secretarial Appeals

- SBA & agencies resolve disagreements prior to secretarial appeal
- SBA processes 4 to 10 appeals annually
- The decision of the Secretary or Administrator of the Agency is final

Procurement Goals

- Another tool to ensure that a fair proportion of purchases are placed with SB
- The Head of each Federal Agency, in consultation with SBA, establishes goals (IAW Small Business Act)
- Goals established annually or biennially
- Goals are agency-wide

Statutory Procurement Goals

Goal for Small Business: 23%

Subsets of the 23%:

- 5 % small disadvantaged businesses
- 3 % HUBZone firms
- 5 % women-owned SBs
- 3 % Service Disabled Veteran-Owned Small Businesses (SDVOSB)

Subcontracting Goals

- Small business
- Small disadvantaged business (SDB)
- women-owned small business (WOSB)
- HUBZone small business
- Veteran-owned small business (VOSB)
- Service-disabled VOSB

Subcontracting

- SBA's role in subcontracting
- Pre-Award Reviews - PCRs review plans prior to contract award
 - comments advisory in nature
- Post-Award - Commercial Market Representatives (CMRs) monitor goal achievement
 - Visit major primes to monitor

Subcontracting

- Subcontracting plans are not required
 - from small business concerns
 - for personal service contracts
 - for contracts or modifications performed entirely outside the U. S.
 - for contracts that do not contain the clause FAR 52.219.8

SUB-*Net*

- SBA internet database of Large Prime Contractors.
 - Provides current bid opportunities
 - Enables Primes to market for specific business categories



Search

Exit

Post

Home

SUB - Net

Search For Solicitations

Search the database
View all solicitations

Post Solicitations

Update Company
Profile
Enter Solicitation
Update Solicitation

About Sub-Net

What is Sub-Net
How to use Sub-Net



U.S. Small Business Administration Subcontracting Network

[Hurricane Katrina Subcontracting Solicitations](#)

[Hurricane Subcontracting Information](#)

[Iraq Reconstruction RFP's](#)

The use of SUB-Net fulfills the function set forth in [Federal Acquisition Regulation \(FAR\) 5.206](#), Notice of Subcontracting Opportunities, for contractors and subcontractors to post notices and thereby increase competition for subcontracts.

Also see SBA's [Subcontracting Opportunities Directory](#)
[CCR](#) - Central Contractor Registration

[DISCLAIMER](#)

Last modified: 11/30/2005 6:19:00 PM ... Version: 5.0.0

<http://web.sba.gov/subnet>

Electronic Subcontracting Reporting System (e-SRS)

- Electronic reporting of SF 294/295s
- <http://www.esrs.gov/>
 - Eliminates paper reporting
 - Improve Data Accuracy
 - Eliminates multiple agency requests
- Anticipated DoD Launch Oct 06

Size

- Firm must meet size standard for NAICS code specified in solicitation
- Firm self-certifies size status
- Firm must be small at the time of the self-certification

SIZE UPDATES

- SBA has adjusted its monetary-based size standards (*e.g.*, receipts, net worth, and financial assets), for the effect of inflation that has occurred since the last inflation adjustment in February 2002. Since the last inflation adjustment, the general level of prices has increased 8.7%.
- This rule applies to solicitations issued on or after January 5, 2006.

SIZE UPDATES

Examples (Effective January 5, 2006)

■ Subsector 237 – Heavy and Civil Engineering Construction

	New	Old
– 237110 Water and Sewer Line and Related Structures Construction	\$31.0	\$28.5
– 237120 Oil and Gas Pipeline and Related Structures Construction	\$31.0	\$28.5
– 237130 Power and Communication Line and Related Structures	\$31.0	\$28.5
– 237210 Land Subdivision	\$6.5	\$ 6.0
– 237310 Highway, Street, and Bridge Construction	\$31.0	\$28.5
– 237990 Other Heavy and Civil Engineering Construction	\$31.0	\$28.5
<i>Except, Dredging and Surface Cleanup Activities</i> ²	\$18.52	\$ 17.0

NAICS code 237990 - Dredging: To be considered small for purposes of Government procurement, a firm must perform at least 40 percent of the volume dredged with its own equipment or equipment owned by another small dredging concern.

Correction to Determination of Size Status 18APR06

- Sec. 121.404 When does SBA determine the **size** status of a business concern?
 - (i) At the time a novation or change-of-name agreement has been executed pursuant to FAR subject 42.12, the new entity must submit a written self-certification that it is small to the procuring agency so that the agency can count the award options, or orders issued pursuant to the contract, towards its small business goals.

Size Determinations

- Size determinations apply to all procurement programs for which size status is required
 - small business set-aside
 - Certificate of Competency (COC)
 - 8(a) business development
 - HUBZone

Non-manufacturer Waiver Rule

- Regulations require that a successful offer on a contract set aside for SB or the 8(a) program provide the product of a domestic SB manufacturer or processor
- Provide that an otherwise responsible SB concern shall not be denied the opportunity to submit its offer solely because it is not the manufacturer

Waivers of the Non-manufacturer Rule

- Two types
- Individual Waivers
 - apply to a specific solicitation
 - only a government CO may request
 - CO must state that there are no known SB manufacturers of product - required in submission to SBA
 - 15 days processing time

Waivers of the Non-manufacturer Rule

■ Class Waivers

- applies to all items in class of products
- may be requested by any interested person, business, association or Federal agency
- SBA publishes its search for sources in the Federal Register
- class waivers published on GC homepage at www.sba.gov/gc

Certificate of Competency (COC) Program

- Purpose: to ensure that small businesses are given an opportunity to compete for & receive government contracts
- Applicability: program applies to all Executive Branch agencies, even if contract is performed outside US

COC Program

- COC process begins when the CO determines that a SB, the apparent low offeror on a solicitation, lacks one of the elements of responsibility
- CO must refer, in writing, the firm to the SBA GC Area Office servicing the area where the HQ office of the offeror is located

COC - Elements of Responsibility

- Including, but limited to:
 - capability
 - competency
 - capacity
 - credit (financial capability)
 - integrity
 - perseverance & tenacity
 - limitations on subcontracting

Current SBA Initiatives

- National Matchmaking Events
- Simplify Size Standards
- Automate SBA Small Business Programs
- Procurement Academy – On-Line Training for Small Businesses

Summary

- Please contact the Office of Government Contracting if you have questions; or
- OUR web site: www.sba.gov/gc
- THANK YOU



ODYSSEY SYSTEMS

managing the technology challenge

Maximizing the Prime-Subcontractor Relationship

A Subcontractor's Perspective

NDIA National Small Business Conference

May 9, 2006

Michael Sweat, CEO

Odyssey Systems Consulting Group



ODYSSEY SYSTEMS

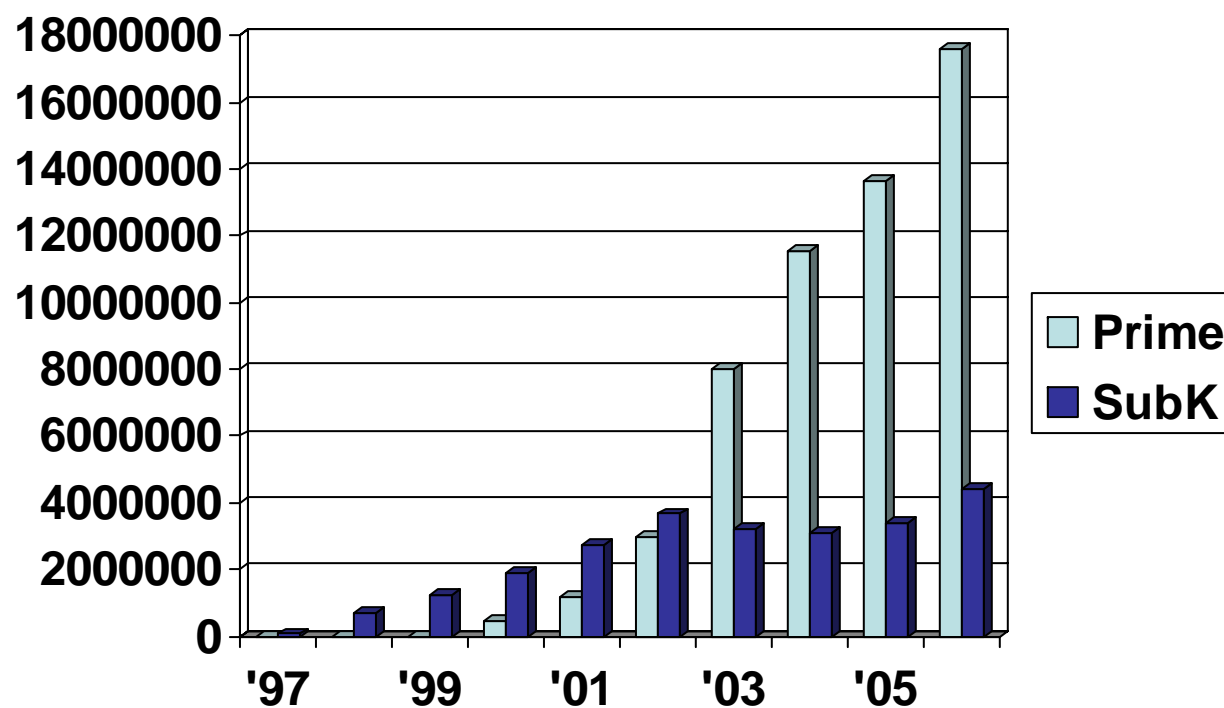
Who is Odyssey?

- **Privately-Held Technical Consulting Firm founded in 1997**
- **160 Employees**
- **#388 on the *Inc. 500* in 2004**
- **Projected 2006 Sales: \$22.0M**

Our Large Business Team Partners



Historical Revenue Distribution



What Makes a SB Partner Attractive?

- **Fills a Niche**
- **Contributes to the Team**
- **Delivers What They Promise, When They Promise**
- **Acts with Honesty and Integrity**
- **Makes Doing Business Easy**
- **Recognizes Business is a Two Way Street**



Growth Through Subcontracting - Tips

- **Market Your Company on the Basis of What You Can Do for the Prime, not What S/he Can Do For You**
 - **Demonstrate Knowledge of a Specific Opportunity**
 - **Share Intelligence**
 - **Listen**
 - **Help the Prime to Understand how your Qualifications will contribute to the team's success**
 - **Quality in all you do**
 - **Samples, Handouts, Leave Behinds, White Papers**



Growth Through Subcontracting - Tips

- **Common Sense Ways to Succeed in Subcontracting**
 - **Support Prime's Proposal Development**
 - **Give Something for Nothing**
 - **Produce Perfect Invoices – on-time and accurate**
 - **Produce Perfect Reports – in the Prime's Format**
 - **Make the Prime's Life Easy**
 - **Stuff Happens – Don't Demand and Don't Whine**
 - **It's More Fun to Do Business With People You like**



Summary

- Subcontracting is the springboard for small business growth
- Large Businesses Need Qualified Small Businesses
- Demonstrate how your firm can ADD VALUE
- Give something to get something
- Make it easier for the Prime to give the work to you than to your competitor

GUIDE TO OBTAINING CONTRACTS IN THE FEDERAL MARKETPLACE

***Ralph C. Thomas III, Esquire
Special Counsel -Government Contracts Section
Washington, D.C.***

Buchanan Ingersoll PC
ATTORNEYS

Pennsylvania :: New York :: Washington, DC :: Florida :: New Jersey :: Delaware :: California

❖ IDENTIFY YOUR CUSTOMER(S)

❖ RESEARCH YOUR CUSTOMER

- Websites
- Publications
- What Am I Looking For
 - Do They Buy What I'm Selling?
 - How Do They Buy It?
 - What About Small Business Friendly Initiatives

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❖ **MARKETING YOUR CUSTOMER**

- First Contact – OSDBU
- Follow Up on Research
- Show Your Knowledge of Customer
- Get Specifics
- Who is the Program Person (the real guy)
- Investigate How Much OSDBU Will Do
- Sign Up For Small Business Friendly Initiatives

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❖ **MARKETING TO THE REAL GUY**

- Get in Front of Him
- Tell Her Who You Are
- Tell Him What You Want
- Tell Her Why You're the Best Company to Have It
- Ask Him for Advice on Getting It

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❖ **TARGETING A PROCUREMENT**

- A Prime Contract
- A Subcontract
- Use Your Assets
- Do Your Research
- Evaluate Your Shot

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❖ **COMPETING FOR THE REQUIREMENT**

- The Proposal
- The Debriefing
- What to do if You Win
- What to do While Performing
- The Closeout
- Leveraging the Experience

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CONTACT INFORMATION

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- ❖ **1700 K Street, NW, Suite 300**
- ❖ **Washington, D C. 20006**
- ❖ **(202) 452-5472**
- ❖ **Fax (202) 452-7989**
- ❖ **Email: thomasrc@bipc.com**
- ❖ **Website: [www:bipc.com](http://www.bipc.com)**

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ATTORNEYS



WOMEN IN DEFENSE

A National Security Association
Affiliate of NDIA

Website



WOMEN IN DEFENSE

A National Security Organization
Affiliate of National Defense Industrial Association



Women In Defense (WID), A National Security Organization, affiliated with NDIA, provides its members with opportunities for professional development and networking, cultivating the advancement of women leaders in government and industry professions.

[Membership](#) | [Scholarships/HORIZONS](#) | [News & Events](#) | [Chapters](#) | [About](#)



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<http://wid.ndia.org>



WOMEN IN DEFENSE

A National Security Association
Affiliate of NDIA

MISSION:

- Professional Development
- Networking
- Advancement of Women Leaders



WOMEN **IN** DEFENSE

A National Security Association
Affiliate of NDIA

HISTORY:

- 1979 – Beginnings
- 1985 – Incorporated
- 1995 – Affiliated with ADPA
- 1997 – Incorporated into NDIA
- 2004 – Full Affiliation with NDIA



WOMEN IN DEFENSE

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CHAPTERS:

- Capital (Washington, DC)
- Chesapeake Bay
- Iowa/Illinois
- Monmouth
- Picatinny
- Rocky Mountain
- San Diego
- Tennessee Valley

FUTURE CHAPTERS:

- Los Angeles
- Dallas
- San Antonio
- Syracuse

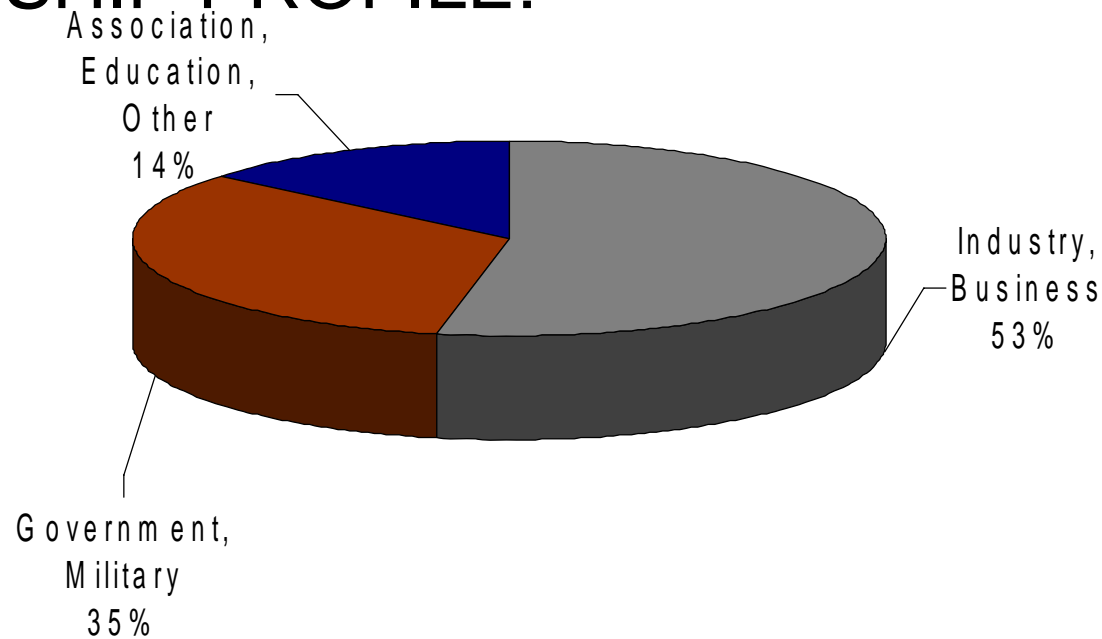




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MEMBERSHIP PROFILE:





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MEMBERSHIP BENEFITS:

- Networking with senior decision makers
 - Membership rates at WID & NDIA affiliate events
 - Web site – <http://wid.ndia.org>
 - Membership & access to all NDIA benefits, including *National Defense* magazine
-



WOMEN IN DEFENSE

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MEMBERSHIP BENEFITS:

- Defense employment opportunities
www.DefenseJobs.com
 - Online access to account
 - WID membership directory access
 - WID member pin
-



WOMEN **IN** DEFENSE

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CHAPTER RESPONSIBILITIES:

- Recruitment
- Retention
- Programming



WOMEN IN DEFENSE

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FINANCE AND BUSINESS PRACTICES:

- Financial responsibility
- Sponsorship
- Liability insurance coverage from NDIA



WOMEN **IN** DEFENSE

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GOVERNANCE:

- Elected Board
 - Committee Volunteers
 - One Part-time Paid Staff
 - Overhead Support from NDIA
-



WOMEN IN DEFENSE

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HORIZONS SCHOLARSHIP FUND:

80+ Scholarships exceeding \$53,000
since 1990





WOMEN IN DEFENSE

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Affiliate of NDIA

HORIZONS SCHOLARSHIP GOALS:

- Financially support & encourage undergrads to seek careers in national security fields
 - Provide funding for continuing education to those in the national security work force
-



WOMEN IN DEFENSE

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HORIZONS SCHOLARSHIP GOALS:

- Develop women leaders in national security organizations through education & peer support
 - Encourage women to pursue educational opportunities in technical fields of study
-



WOMEN IN DEFENSE

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Thank You for Joining Us!

Questions or Comments?

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